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ABSTRACT

A study evaluated the Projects With Industry (PWI) program. (Authorized in 1968 to provide funding opportunities to organizations for the purpose of assisting severely disabled persons in obtaining competitive employment, the PWI program has provided support to projects that involve private sector representatives in the design of placement, training, and other services for disabled individuals.) The sources of the information for the study included interviews with persons familiar with the operation of the PWI program, a review of program documents maintained by the Rehabilitation Services Administration, and visits to seven PWI project sites around the country. Based on the information collected and analyzed in the study, the PWI projects appear generally successful in meeting the program's goal of developing private sector linkages to assist disabled persons in achieving competitive employment, although quantitative information to verify the performance of specific projects is limited. Furthermore, no single type of organization was found to be more successful than others in accomplishing PWI goals. Rather, the diversity of organizations operating PWIs and the flexibility projects exhibited in providing services appear to be important factors in the PWI program's overall effectiveness. (MN)

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ASSESSMENT OF THE PROJECTS WITH INDUSTRY PROGRAM

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EXECUTIVE SUMMARY

The Projects With Industry (PWI) program was authorized in 1968 to provide funding opportunities to organizations for the purpose of assisting severely disabled persons in obtaining competitive employment. As administered by the Rehabilitation Services Administration (RSA) of the U.S. Department of Education (ED), the program has provided support to projects that involve private sector representatives in the design of placement, training, and other services for disabled individuals. The projects are required to coordinate their activities with those of the state rehabilitation agencies. PWI program funding in FY 1983 is $8 million (plus a one-time supplement of $5 million provided under Public Law 98-8, the "1983 Jobs Bill"). At present, 65 PWI projects are under way, including 15 new projects and 50 projects that have been operating for more than a year.

This study was undertaken to address two questions:

- What are the characteristics of current PWI projects, such as funding levels, services provided, types of clients served, and effectiveness in meeting program goals?

- Which project types are most effective in achieving PWI program goals, and, in particular, what are the relative effectiveness and replicability of projects operated by national trade associations?

The first question was addressed by collecting extensive information on the projects currently supported by the PWI program. An answer to the second question required analysis of four issues associated with the effectiveness of PWI projects.

The sources of information for the study included interviews with persons familiar with the operation of the PWI program, a review of program documents maintained by RSA, and visits to seven PWI project sites around the country. Interview respondents in the Washington, D.C., area included staff of RSA and of other ED offices, staff of several congressional committees concerned with rehabilitation, and staff of several national organizations concerned with services to the handicapped. Interview respondents at the project sites included project directors, placement and training specialists, advisory council members, employers, PWI clients, and representatives of state rehabilitation agencies.

Characteristics of Current PWI Projects

PWI projects are operated by many types of organizations, including rehabilitation facilities and associations of such facilities, private corporations, educational institutions, trade associations, civic and professional associations, and labor unions. Nearly two-thirds of the current projects are operated by rehabilitation associations or facilities.

Recipients of PWI awards are located in 27 states and the District of Columbia. The actual number of states in which services are delivered is substantially larger, however, because some PWI recipients deliver services in two or more project sites. Fifty-four percent of all PWI projects have received PWI funds for at least five years.

The average PWI award in 1982 was $123,028. The size of awards to recipient organizations ranged from $27,337 to $544,020. All projects received funding from sources other than PWI, due in part to a statutory requirement that the national PWI program reimburse no more than 80 percent of total project costs.

All but five of the 65 PWI projects report that they provide job placement services to handicapped clients; three of the projects that are not designed to provide such services are new projects and two are projects that have been operating for more than a year (known as "continuation" projects). Projects vary considerably in the mix of services that they offer to clients, but most provide training in occupational skills.

Clients served by PWI projects tend to be handicapped persons whose disabilities are severe. According to information derived from a review of project files and from site visit interviews, a growing proportion of PWI clients is severely disabled. No general pattern was seen in the types of disability of the clients served by current projects.

Projects report extensive linkages with the private sector, especially with potential employers of their clients. The most important mechanism for creating these linkages is the PWI project advisory councils, whose memberships include local business representatives (corporate executives, personnel managers, and line supervisors) as well as representatives from the rehabilitation community. The councils perform a variety of functions, including oversight of project operations, design of training activities, assistance in the placement of PWI clients, and donation of supplies and equipment. Projects also make efforts to build relationships with employers by providing them with services, particularly the referral of prescreened job applicants and assistance in working with handicapped employees.

Analysis of Issues Associated with Effectiveness

Several issues associated with the effectiveness of PWI projects were the focus of special analyses in the study. The first such issue concerns the utility of various measures of PWI project performance. Four measures are in common use at present:

- Number of placements is the most commonly used measure. It is useful as a means of assessing change in project performance over time but is less useful in comparing one project to another, because of diversities in project size, client population, and local economic conditions. For the 46 continuation projects reporting this information, 5,700 placements were achieved in 1982.

- Retention rate measures the percentage of employed clients who remain on the job for at least 60 days. When used with other information, this measure can be a useful means of comparing one project with another and can also be helpful for internal monitoring purposes. For the 20 continuation projects reporting retention data, the retention rate ranged from 44 to 100 percent and averaged 80 percent.

- Average wage at closure (i.e., the point at which a client's file is closed through job placement or other disposition) is a measure of the salary level of the jobs in which PWI clients are placed. Because of the varying skill levels of clients served by PWI projects, this measure is not a useful means of comparing projects. Nor is it a useful measure for monitoring project performance over time, because many projects experience shifts in the types of clients referred for services. The average wage at closure for the 30 continuation projects reporting this information ranged from $3.50 to $13.85 an hour.

- Cost per placement is typically computed by dividing a project's total PWI dollar award by the number of clients placed. This measure is frequently used by RSA to assess individual projects and to report on program performance overall. The measure fails, however, to take into account the effect of other funding received by a PWI project and other services received by PWI clients. For the 23 continuation projects reporting this information, cost per placement ranged from $403 to $3,571 and averaged $973. The median cost per placement for the 23 projects was $806.

Because of the variation in measures used by projects, the study team found that the adoption by the program of a limited, but standard, set of performance indicators would permit a more comprehensive picture to be drawn of PWI operations and performance both at the project level and nationwide.

A second issue addressed in the analysis concerned those factors likely to be most important in shaping project performance. Six factors were found to be particularly relevant:

- The single most important factor is the quality of the project's private sector linkages. Good relationships with employers are typically reflected in (and shaped by) a project advisory council that is actively involved in all phases of project implementation.

- The employment performance of clients shapes project performance by its effect on employer expectations concerning the occupational abilities and motivation of clients served by the project.

- The quality of linkages with state rehabilitation agencies is important in ensuring that the clients referred to the project are those most likely to benefit from its services.

- Although no special configuration of staff background and experience was determined to be essential, the overall abilities and performance of the project staff are a major determinant of the effectiveness of the project in building productive relationships with employers and with state agency personnel.

- The reputation of the recipient organization is very important in the ability of the project to develop effective relationships with the business community.

- Projects are most likely to be able to communicate their project goals to employers when they adopt a business orientation to project operations.

In general, PWI project success is closely related to the extent to which project staff create a climate that encourages the active participation of all constituencies (i.e., the business community, state rehabilitation agencies, rehabilitation facilities, and disabled persons) in placing disabled persons in competitive employment.

A third issue addressed in the analysis was whether state rehabilitation agencies could operate PWI projects. Although considerable state support exists for the PWI training and placement approach, expanded state involvement in implementing that approach appears unlikely. The major obstacle to expansion is the difficulty that states typically experience in developing stable relationships with employers and in attracting financial contributions from the private sector.

The fourth issue addressed in the analysis concerned the special features of the various types of organizations that operate PWI projects. According to interview data, the current wide range of organizational types results from an intentional strategy to involve many sectors of the employment and rehabilitation communities in achieving PWI goals. No single project type was found to be consistently superior to other types.

As the PWI approach has evolved, a number of projects have developed national or regional networks of project sites. One type of network has been that operated by the Electronic Industries Foundation, a non-profit corporation affiliated with a national trade association representing electronics firms. This project has experienced success in involving its trade association members in the training and hiring of handicapped persons. Due to barriers that are inherent in the mission of a trade association, however, there does not seem to be significant interest among other such associations in initiating projects for the training and employment of handicapped persons.

Recommendations from Respondents on PWI Program Improvement

Interview respondents in this study made recommendations for improvement in three areas of federal administration of the program. First, in connection with project selection procedures, concern was expressed that

the competitive selection procedures used in the program are deterring organizations such as private corporations and trade associations from applying for federal support. The PWI selection criteria were specifically criticized for inadequate focus on factors most relevant to project success. Respondents recommended careful review of these problems by RSA. Second, local PWI project personnel recommended that RSA provide technical assistance to projects and assist in information sharing across projects. Third, project personnel asked for greater assurance of stable federal support for project operations.

Recommendations were also offered for the improvement of local project operations. First and most important, respondents urged RSA to ensure the involvement of local advisory councils in the direction and operation of all PWI projects. Second, respondents representing state rehabilitation agencies recommended that RSA create mechanisms to encourage greater communication between PWI projects and state rehabilitation agencies. Third, respondents suggested that PWI projects be encouraged to participate actively in the implementation of the Job Training Partnership Act of 1982, in order that the training needs of disabled individuals be addressed in the implementation of that Act.

Conclusions

Based on the information collected and analyzed in the study, two major conclusions emerged from the study. First, PWI projects appear generally successful in meeting the program's goal of developing private sector linkages to assist disabled persons in achieving competitive employment, although quantitative information to verify the performance of specific projects is limited. Second, no single type of organization was found to be more successful than others in accomplishing PWI goals. Rather, the diversity of organizations operating PWIs and the flexibility projects exhibited in providing services appear to be important factors in the PWI program's overall effectiveness.

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CHAPTER ONE

INTRODUCTION

Since 1968, the Rehabilitation Services Administration (RSA) has provided funding opportunities to organizations for the purpose of assisting handicapped persons to obtain competitive employment. Under authority of the Projects With Industry (PWI) program, these organizations have provided placement, training, and other services that are intended to complement those delivered by the state rehabilitation agencies. For FY 1983 the program was initially funded at $8 million; with enactment of Public Law 98-8 (the "1983 Jobs Bill"), the program received a one-time supplemental appropriation of $5 million. Higher funding levels have been suggested for the future. This report presents the findings of a brief study designed to assess the PWI program.

This chapter consists of two parts. The first part provides an overview of the program's purposes and history. The second part presents the questions that prompted the study and the methodology used to address these questions.

Overview of the Characteristics and Evolution of the PWI Program

This section is intended to provide a general background for the more descriptive and evaluative information on the PWI program presented in Chapters Two and Three.

Program Purpose and Characteristics

Since its beginning, the primary purpose of the PWI program has been to encourage the formation of partnerships between the rehabilitation community and the business community in order to improve the employment opportunities of disabled persons. To achieve this purpose, PWI projects have generally focused their efforts on job placement and have provided other services necessary to support that function. These supplementary services have included occupational skill training, job readiness training, training in job-seeking skills, and job followup services. In addition, some PWI projects help clients

to obtain assistive devices necessary for the disabled person's success in the workplace. Projects have also helped employers modify specific jobs to accommodate the special needs of persons with particular disabilities.

Because the national network of state rehabilitation agencies bears primary governmental responsibility for delivery of rehabilitiation services, PWI projects have been expected to coordinate their activities with the state agencies. At a minimum, PWI clients must be certified as eligible for the receipt of services by the appropriate state rehabilitation agency. Practically speaking, this requirement means that each PWI client must have a disability that qualifies him or her for rehabilitation services, and yet at the same time there must be a reasonable expectation that the client can be rehabilitated to the point of being able to obtain and hold a job. The types of services PWI projects provide must be coordinated with those offered by state agencies, in order to prevent redundancy in the provision of specialized services to particular disability groups.

From the first years of the program, an important feature of local PWI projects has been the operation of local project advisory councils. These groups are intended to assist local PWI projects in establishing relationships with area employers, labor unions, and other relevant organizations. Accordingly, the membership of the councils is expected to include representation from each of these groups as appropriate. In addition to its role in establishing project linkages, each local advisory council is also expected "to share in policy and decisionmaking functions" (as stated in the selection criteria included in the PWI program regulations at 34 CFR Part 379).

The notion of the public/private partnership embodied in the PWI program is also reflected in the funding vehicle mandated in the PWI authorization. As stated in the authorizing statute, the Commissioner of RSA is expected to "enter into agreements" with PWI sponsoring organizations "to establish jointly financed projects" (Sec. 621(a)(1) of the Rehabilitation Act, as amended). The term "agreement" is used throughout the brief authorization, and such agreements are intended to "be jointly developed by the Commissioner, the prospective employer, and, to the extent practicable, the appropriate

designated State unit and the handicapped individuals involved." The collaborative nature of the PWI projects is also reflected in the statutory requirement that federal funds pay for no more than 80 percent of the costs of any given project.

The precise meaning of the term "agreement" is clouded in the program regulations. In particular, the decision, as reflected in the regulations, to make the Education Department General Administrative Regulations (EDGAR) applicable to the PWI program is somewhat surprising. The specific parts of EDGAR that are cited as applicable to PWI include those pertaining to "direct grant programs" (34 CFR Part 75). This designation is significant for two reasons. First, because EDGAR states that only grantmaking programs are to be included under its purview, PWI is thus designated to be treated as a grants program. This grantmaking status seems to be at variance with the references to "agreements" in the program statute. Second, as a grants program, PWI becomes subject to the competitive selection process outlined in EDGAR, a process that may be incompatible in certain respects with the notion of a jointly developed and jointly financed "agreement" between RSA and the local PWI project.

A more detailed description of how these program features have affected the operations and development of the PWI program and its projects is presented in subsequent chapters of this report.

Program Evolution

PWI authorization. Statutory authority for PWI projects was first included in the Rehabilitation Act as a result of the 1968 amendments to the Act. The authority was included in the 1973 amendments in a single sentence at Section 304(d), which authorized "projects designed to prepare handicapped individuals for gainful and suitable employment in the competitive labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services... [prescribed in regulations] as may be necessary for such individuals to continue to engage in such employment."

In the 1978 amendments to the Act, the PWI authorization was made somewhat more explicit by the inclusion of provisions (1) detailing the contents

of a PWI agreement, (2) governing the administration of PWI projects operated directly by employers, and (3) providing that payments made under PWI may not exceed 80 percent of project costs. Because the authorization of the Rehabilitation Act expires at the end of the current fiscal year, revisions to the PWI authority are currently being considered in Congress along with revisions to other portions of the Act.

Program funding. Projects under PWI were funded for the first time in FY 1970 for $900,000. Following a $2 million funding level in FY 1971, program funding was set at $1 million a year for fiscal years 1972 through 1976. In FY 1977, project funding began to increase, reaching $7.5 million in FY 1982. In FY 1983, $13 million are expected to be spent on the program. According to the terms of the FY 1983 Continuing Resolution under which RSA programs are currently operating, RSA is not permitted to begin any new PWI projects in FY 1983.

Program administration. PWI is one of a number of small discretionary programs that are administered several levels below the RSA Commissioner. At present, one project officer is responsible for all PWI administrative activities within RSA. Because PWI is of particular interest to the current RSA Commissioner, however, two additional RSA staff members have been assigned to the program to carry out special tasks related to the operation of the PWI program. Since RSA's transfer to the U.S. Department of Education (ED) in May 1980, ED personnel in the Office of Planning, Budget and Evaluation and in the Assistance Management and Procurement Service have also provided administrative services to the program.

The administration of the program has reflected two important strategies. According to federal employees involved with the program, one such strategy has been to promote diversity in the types of organizations receiving PWI funds. As stated in verbal reports to the study team, efforts have been made to develop PWI agreements with a wide range of organizations, in order to provide coverage of varying employment and training opportunities offered by different types of organizations and to extend program benefits to a broad range of disability groups.

A second important administrative strategy has been to offer flexibility to PWI projects in the design and operation of their activities. According to federal officials interviewed for this study, the main rationale for this flexibility has been the "partnership" character of the projects. Because of the sizable contributions to PWI projects by their parent organizations, it has been believed in Washington that projects would be more likely to fulfill PWI program goals if they were given a relatively high level of autonomy in the design and delivery of services. Another factor encouraging project flexibility has undoubtedly been the limited federal resources available for PWI program administration and RSA's resulting inability to exercise close direction and monitoring of projects.

The effects of these administrative strategies on program operations are discussed in the second and third chapters of this report.

Purposes and Design of the Study

This study was initiated in November 1982 in response to a request made by the director of the ED Budget Service to the director of the ED Planning and Evaluation Service. In response to the request of the Budget Service, officials of the Planning and Evaluation Service selected a research organization to conduct the study and made arrangements to initiate the assessment. Because of the immediacy of the information needs of the Budget Service, the study was completed within five months.

Study Questions

In response to the request from the ED Budget Service, the study was designed to address two primary questions:

- What are the characteristics of current PWI projects, such as funding levels, services provided, types of clients served, and effectiveness in meeting program goals?

- Which project types are most effective in achieving PWI program goals, and, in particular, what are the relative effectiveness and replicability of projects operated by national trade associations?

Because of the short time period available for the study, certain evaluative approaches that would otherwise be desirable could not be utilized. For example, it was not possible to survey all current PWI projects in order to collect uniform data on each of them. Nor was it possible to visit a large sample of current projects. Nevertheless, the five-month study period did permit specific research tasks to be undertaken, in order to address the two questions.

Methodology

The study began with a series of interviews in the Washington, D.C., area with individuals knowledgeable about the PWI program. These persons included staff of RSA and other ED offices, congressional staff concerned with legislative issues in rehabilitation, and staff of several national organizations previously or currently involved in the program. Several information needs guided the selection of interview respondents and the formulation of interview questions. These needs included (1) identification of the primary goals and methods of PWI projects, as typically operated; (2) specification of appropriate measures of project performance; and (3) identification of project characteristics most often associated with project success.

Concurrently, relevant program documents were reviewed to develop a comprehensive overview of all current PWI projects. The principal documents that were examined were the project applications for FY 1983 PWI projects. In most instances, the project applications for FY 1983 funding contain a progress report covering the prior year's activities and performance. These progress reports constituted the major data source for the document review. Applications were supplemented with RSA regional office reviews of a number of specific PWI projects. In addition, the study team also reviewed previous reports on the PWI program and on the Rehabilitation Act and RSA programs other than PWI.

Additional information was collected in site visits to seven PWI projects. (This count does not include two PWI projects whose headquarters

offices in Washington, D.C., were visited but for whom no service delivery activities were observed.) The sites, which are briefly described in the appendix to this report, were selected to reflect a range of organizational types, service delivery mixes, and geographical locations. At each site interviews were conducted with the PWI project director, placement and training specialists, advisory council members, employers, PWI clients, and representatives of the state rehabilitation agency. The study team was afforded a high degree of cooperation by all the PWI projects selected for visits, making it possible to collect extensive information on each. All respondents were given assurance that they would not be identified by name in any reports emanating from the study.

Organization of the Report

Chapter Two of this report presents an overview of current PWI projects, drawing mainly from project applications, project reviews conducted by the RSA regional offices, and other RSA documents. This information is supplemented, where appropriate, with observations from the site visits. Chapter Three presents an analysis of project characteristics, including, in particular, assessments of the relative effectiveness of various types of PWI projects. Special attention is given in this chapter to a review of the advantages and disadvantages of projects operated by national trade associations. The fourth chapter reports the major recommendations for PWI program improvement that were offered by respondents to this study. The final chapter presents the study's findings and conclusions as well as a listing of programmatic issues that emerged during the course of the study.

CHAPTER TWO

OVERVIEW OF CURRENT PWI PROJECTS

This chapter presents a descriptive profile of the PWI projects currently supported through RSA funding. The primary data sources from which the profile was developed were the 1983 PWI project applications and other program documents maintained by RSA. For each of the 50 continuation projects (i.e., those that have received PWI funding continuously for two or more years), RSA maintains a file containing the most recent project application and such supporting documents as newsletters, brochures, progress reports covering the previous year's activities, and internal evaluations or research reports. For each of the 15 projects newly funded in 1982, the RSA file contains the project application describing the types of activities planned. Supplementary materials on PWI projects were also reviewed. These materials included the 1982 cumulative funding report, project reviews conducted for some of the PWI projects by RSA regional office staff, and several reports on the status of PWI projects. Where appropriate in this chapter, documentary information from these RSA sources is supplemented with illustrative data drawn from the study team's visits to project sites.

Readers of this chapter should keep several caveats in mind. First, the level of detail provided in project documents varies widely. This variation is apparently the result of a lack of uniform information requirements on the part of RSA and also the substantial variation in conditions at the local project level. For example, projects operated by organizations having automated management information systems tended to include in their applications detailed reports on such variables as disabling conditions of clients and other client characteristics, while organizations without such capacity often provided far less detailed information.

Second, projects can be counted in several different ways, a difference that is reflected in the tables in this chapter. In 1982, RSA made awards to 50 PWI continuation projects and 15 new projects, for a total of 65 PWI projects. However, because some recipient organizations received

more than one PWI award, the total number of discrete PWI recipients is 61. For example, in 1982 the Electronic Industries Foundation (EIF), which already was operating a PWI project with a number of sites around the country, received an additional award to encourage PWI participation by other national trade associations. Consequently, EIF has more than one PWI project award but is, for purposes of such analyses as geographic location of projects, viewed as one recipient.

Finally, although PWI is currently funding 65 projects and 61 recipients, the number of PWI project sites around the nation is actually much larger than these numbers suggest. While some of the recipients are operating a single project at a single location (e.g., Baltimore Goodwill Industries), many of the recipients are operating multiple-site projects. IBM, for example, has used its PWI funding to establish over 20 projects. While many of the older IBM projects no longer receive any direct federal support through the PWI program, they nonetheless should be considered in any accounting of the PWI effort.

The PWI profile presented in the remainder of this chapter is organized around the following topics: project characteristics, client characteristics, and project linkages.

PWI Project Characteristics

Information was available to develop a profile of PWI project characteristics along the following dimensions: types of organizations operating projects, project location, years of support, funding, and services to clients.

Organization Type

Organizations currently operating PWI projects range from private corporations (e.g., IBM and Control Data Corporation) to local governmental agencies (e.g., City of Los Angeles). As shown in Tables 2.1 and 2.2, the majority of project operators are rehabilitation facilities (50 percent of

TABLE 2.1

DISTRIBUTION OF PWI CONTINUATION PROJECTS BY ORGANIZATIONAL TYPE

PROJECT YEAR 1982

ORGANIZATIONAL TYPE	NUMBER OF PROJECTS	PERCENT
Rehabilitation facility	25	50
Rehabilitation association	6	12
Educational institution	5	10
Private corporation	5	10
Labor union	3	6
Trade association	2	4
Other association	2	4
Social service agency	1	2
Governmental agency	1	2
TOTAL	50	100

TABLE 2.2

DISTRIBUTION OF NEW PWI PROJECTS
BY ORGANIZATIONAL TYPE

PROJECT YEAR 1982

ORGANIZATIONAL TYPE	NUMBER OF PROJECTS	PERCENT
Rehabilitation facility	8	53
Educational institution	4	27
Trade association	2	13
Labor union	1	7
TOTAL	15	100

the continuation projects and 53 percent of the new projects). Other organizations receiving PWI support include rehabilitation associations, educational institutions, trade associations, other professional or civic associations, and labor unions. Rehabilitation facilities or associations constitute nearly two-thirds of the organizations operating continuation projects.

In some instances organizations do not operate projects directly but have set up foundations or nonprofit corporations for that purpose. Two examples of this practice are the Electronic Industries Association's EIF and the AFL-CIO's Human Resources Development Institute. As indicated in discussions with EIF's national director, this arrangement permits EIF to use the resources of the parent association (e.g., contacts with high-level electronics executives) while pursuing a public interest focus that is distinct from the objectives of the association.

Project Location

Recipients of PWI funds are located in 27 states and the District of Columbia (Table 2.3). Forty-seven percent of the organizations that receive PWI funds are located in three states and the District of Columbia: New York (13 percent), Washington (12 percent), District of Columbia (12 percent), and California (10 percent). The number of states in which services are actually delivered, however, is substantially larger than 27 because a number of projects, especially those based in the District of Columbia or its suburbs, tend to be national in scope with multiple sites across the country. For example, the Goodwill Industries of America project, administered from the organization's offices in Bethesda, Maryland, has project sites in Ohio, New Jersey, Michigan, Texas, Florida, California, and Massachusetts.

Other projects serve either one locality (e.g., Chicago Jewish Vocational Service) or a discrete geographic region. Examples of the latter are seen in the San Francisco Bay area, which is served by six projects, located from Berkeley to San Jose, all except one of which have developed linkages with the high technology industries in the region. In some instances, project service areas include an entire region (e.g., New England Association of Business,

TABLE 2.3

DISTRIBUTION OF PWI RECIPIENT ORGANIZATIONS BY STATE

PROJECT YEAR 1982

STATE	NUMBER OF RECIPIENT ORGANIZATIONS
Alabama	1
Arkansas	2
Arizona	1
California	6
Colorado	1
Connecticut	2
District of Columbia	7
Florida	1
Georgia	1
Illinois	2
Indiana	1
Kansas	2
Maryland	3
Massachusetts	1
Michigan	2
Minnesota	3
Missouri	1
Nevada	1
New Jersey	1
New York	8
Ohio	1
Pennsylvania	1
Texas	1
Utah	1
Virginia	1
Vermont	1
Washington	7
Wisconsin	1
TOTAL	61

Industry, and Rehabilitation, Inc., located in Connecticut and serving Connecticut, New Hampshire, and Maine).

Years of Support

Other than the 15 projects that received an initial award in project year 1982,[1/] all the projects currently receiving PWI funds are in at least the third year of funding (Table 2.4). (Further, four of the new awards were to organizations that had previously received PWI funds.) Fifteen projects (30 percent) are in their sixth year of funding, and six (12 percent) are in at least the tenth year. Seventy percent have received funding for at least five years. When all current projects (both new and continuation) are considered, 54 percent of the current PWI projects are in at least their fifth year of funding. According to PWI program staff, only eight projects have been terminated since the program's inception.

As these data indicate, the profile of PWI projects is fairly stable in terms of continued support, with small numbers of projects added to the set of funded projects in most of the years since the program's inception. Expansion in numbers of projects has been much larger in recent than in earlier years, a fact influenced both by program funding levels and by steadily increasing interest in the PWI concept as an approach to assisting disabled persons to enter competitive employment.

The tendency of the PWI program to provide relatively long-term support to projects suggests that the program is not, in the strict sense, a "seed money" effort under which projects are expected to become self-sustaining after a period of federal support. Nevertheless, most of the persons interviewed at both national and local levels do view the program as serving a "seed money" function. PWI funds, generally allocated in fairly small amounts (44 percent of the projects receive less than $100,000 per year), are intended to help generate funds and other types of support from non-PWI sources, ranging from other federal programs to contributions from private industry. At one of the

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[1/] Historically projects have followed different funding cycles and thus cannot be categorized on either a fiscal year basis or on a uniform PWI program cycle.

TABLE 2.4

DISTRIBUTION OF PWI CONTINUATION PROJECTS
BY YEARS OF SUPPORT

NUMBER OF YEARS OF SUPPORT	NUMBER OF PROJECTS	PERCENT	CUMULATIVE NUMBER OF PROJECTS	CUMULATIVE PERCENT
12	1	2	1	2
11	2	4	3	6
10	3	6	6	12
9	-	-	-	-
8	1	2	7	14
7	7	14	14	28
6	15	30	29	58
5	6	12	35	70
4	5	10	40	80
3	10	20	50	100
TOTAL	50	100		

sites visited by the study team. for example, PWI funds represented less than one-third of the PWI project's total budget, and all the sites that were visited reported continuing efforts to develop other funding sources to support project activities.

Funding

Data presented in Table 2.5 indicate the range in PWI funding levels for the 61 recipient organizations in project year 1982. Ninety percent of the current recipients are funded at less than $200,000 for the current year; 72 percent at less than $151,000; 44 percent at less than $100,000; and 13 percent at less than $51,000. Only one recipient, EIF, received over $500,000 in project year 1982. Total funds allocated to PWI recipients in 1982 amounted to $7,504,702. The average award was $123,028, and the range in amount of funds awarded to recipients was $27,337 to $544,020 (the latter representing funding for two separate PWI awards to EIF).

As discussed in the previous section, most of the PWI continuation projects have received RSA support for several years, with 70 percent in at least the fifth year of funding. Data reported in Table 2.6 show ranges in the total PWI support received by the 50 continuation projects since program inception. Over half (54 percent) of the projects have received less than $400,000, and only 14 percent have received funds totaling more than $1 million. These data are not adjusted for years of support, and while to some extent the older projects fall into the higher range of cumulative funding levels, there is not a precise correlation. The oldest project, for example, has averaged around $104,000 per year ($148,000 in 1982) and has received a total of $1.25 million, while some of the newer projects are funded at higher annual levels that result in larger cumulative amounts.

In addition to PWI program support, nearly all projects report other sources of support for their PWI activities. Forty-four (88 percent) of the continuation and eight (53 percent) of the new projects indicated on their PWI applications an intended contribution to the PWI effort from the applicant organization. These contributions include donation of staff time, waiver of overhead expenses, payment of facility costs, and transfer of funds from the

TABLE 2.5

DISTRIBUTION OF PWI RECIPIENT ORGANIZATIONS BY FUNDING LEVEL

PROJECT YEAR 1982

FUNDING LEVEL (IN DOLLARS)	NUMBER OF RECIPIENT ORGANIZATIONS	PERCENT	CUMULATIVE NUMBER OF RECIPIENT ORGANIZATIONS	CUMULATIVE PERCENT
≤ 50,999	8	13	8	13
51,000 - 99,999	19	31	27	44
100,000 - 150,999	17	28	44	72
151,000 - 199,999	11	18	55	90
200,000 - 250,999	1	2	56	92
251,000 - 299,999	2	3	58	95
300,000 - 350,999	2	3	60	98
351,000 - 399,999	-	-	-	-
400,000 - 450,999	-	-	-	-
451,000 - 499,999	-	-	-	-
500,000 - 550,999	1	2	61	100
TOTAL	61	100		

Source: Department of Education Grant and Procurement Report 006: Grant Awards by CFDA, State and Applicant Name, 10/09/82.

TABLE 2.6

DISTRIBUTION OF PWI CONTINUATION PROJECTS BY TOTAL FUNDS RECEIVED SINCE PROJECT INCEPTION

FUNDING LEVEL (IN DOLLARS)	NUMBER OF PROJECTS	PERCENT	CUMULATIVE NUMBER OF PROJECTS	CUMULATIVE PERCENT
100,000 - 199,999	13	26	13	26
200,000 - 299,999	6	12	19	38
300,000 - 399,999	8	16	27	54
400,000 - 499,999	2	4	29	58
500,000 - 599,999	3	6	32	64
600,000 - 699,999	1	2	33	66
700,000 - 799,999	2	4	35	70
800,000 - 899,999	3	6	38	76
900,000 - 999,999	5	10	43	86
1,000,000 - 1,099,999	-	-	-	-
1,100,000 - 1,199,999	2	4	45	90
1,200,000 - 1,299,999	1	2	46	92
1,300,000 - 1,399,999	1	2	47	94
1,400,000 - 1,499,999	2	4	49	98
1,500,000 - 1,599,999	-	-	-	-
1,600,000 - 1,699,999	1	2	50	100
TOTAL	50	100		

Source: Department of Education Grant and Procurement Report 006: Grant Awards by CFDS, State and Applicant Name, 10/09/82.

organization's own resources. Additionally, many of the projects receive funding from other federal sources (primarily the Comprehensive Employment and Training Act [CETA]), from the state rehabilitation agency, or from local sources (e.g., United Way). Finally, private sector contributions constitute another resource for local PWI projects. These contributions often take the form of equipment donations, but some projects receive direct financial support from private corporations. While the available data were not sufficient to permit analysis of the mix or extent of other funding sources, one of the projects visited provides an example of the multiple funding sources for PWI activities. The PWI budget for that project contains the following mix: 32 percent from the PWI program, 37 percent from the state rehabilitation agency, 13 percent from a private corporation, and 18 percent from the parent organization operating the PWI.

Services to Clients

The PWI program files contain information concerning the services PWI projects deliver to clients. This information is, however, incomplete for several reasons. First, it is not always possible to distinguish those services provided specifically to PWI clients with PWI funding from those services generally provided by the organization both to PWI clients and to other clients served by the organization. In some organizations the PWI is clearly a distinct entity either because the organization does not serve non-PWI clients or because the PWI project is kept fully separate from other activities; in other organizations, the PWI project appears to be relatively integrated into the broader service design, and identification of a set of services as "PWI" is difficult. Second, there is no standard set of terms for defining PWI services, a situation that complicates the aggregation of information across projects, particularly in files that vary widely in level of specificity. Third, as suggested earlier, the lack of complete information in some project files precluded development of a clear picture of what some PWI projects actually do. For example, while a PWI project may list occupational skill training as a service, the service may be paid for by the state rehabilitation agency, the Veterans Administration, or some other agency on a fee-for-

service basis. The extent to which individual PWI projects counted such training as a PWI activity varied across projects. Further, some files were essentially progress reports and failed to specify what services were provided. Nonetheless, sufficient data were available to provide an overview, though a somewhat incomplete one, of what the PWI projects do for clients.

Types of services offered. In general, the types of services provided by PWI projects include client assessment; occupational training; employment orientation; job development, placement, and followup; and supportive services. Services in each of these categories include the following:

- Client Assessment

  -- Vocational assessment/work evaluation
  -- Personal/medical assessment

- Occupational training

  -- Classroom training
  -- On-the-job training

- Employment orientation

  -- Work adjustment, transitional employment
  -- Employability development
  -- Career counseling
  -- Training in job-seeking skills

- Job Development/Placement/Followup

  -- Job identification and development
  -- Placement
  -- Job modification
  -- Counseling/followup with clients
  -- Counseling/followup with employers

- Supportive Services

  -- Psychological counseling
  -- Transportation
  -- Medical/dental aid
  -- Education (primarily remedial)
  -- Provision of assistive devices

Table 2.7 displays the numbers and percentages of continuation projects that reported provision of services in each of these categories, although, again, failure to report service provision does not necessarily mean that a project does not make a particular service available to PWI clients. Observations made during the site visits suggest that projects tend to provide a larger number of services than they report in their project applications. As might be expected considering the goals of PWI, job development, placement, and followup, taken together, are the most frequently reported services. Eighty-six percent (43 projects) of the continuation projects reported that they place clients in competitive employment. Five continuation projects did not specify services in this category, although information collected in interviews indicates that these projects do provide placement services. There are two continuation projects that do not serve clients directly and therefore do not provide placement services. Twenty-eight projects (56 percent) reported that they provide followup services to clients at least through six months of employment, and 16 projects (32 percent) indicated that contacts with employers were included in the followup activities. The information collected in interviews suggests that these services may be underreported in project applications.

Three-fourths of the projects reported providing some form of employment orientation, including, for example, work adjustment training, training in job-seeking skills, or career counseling. Additionally, at least 11 of the projects have established Job Clubs, an approach to job placement that has become increasingly popular in recent years in the rehabilitation community and in other employment and training programs. (Job Clubs are structures through which unemployed persons receive instruction in job-seeking skills and receive peer support in their efforts to obtain employment.)

Over two-thirds (68 percent) of the 50 continuation projects provide skill training, while slightly over half (53 percent) of the 15 new projects provide skill training to PWI clients (see Tables 2.8 and 2.9). Training is available in the following occupations:

- Computer programmer
- Electronics assembler or technician

TABLE 2.7

SERVICES PROVIDED BY PWI CONTINUATION PROJECTS

PROJECT YEAR 1982

	NUMBER OF PROJECTS REPORTING SERVICE[a]	PERCENT
Client assessment	25	50
Occupational training	34	68
Employment orientation	38	76
Job development/placement/ followup	43[b]	86
Supportive services	29	58

[a]Represents a duplicated count.

[b]Five projects failed to specify services in this category, while two projects do not perform placement.

TABLE 2.8

DISTRIBUTION OF PWI CONTINUATION PROJECTS BY AVAILABILITY OF TRAINING SERVICES

PROJECT YEAR 1982

	NUMBER OF PROJECTS	PERCENT
Provide skill training[a]	34	68
Do not provide skill training	16	32
TOTAL	50	100

[a]Includes classroom and on-the-job training but not work experience, work adjustment, or job readiness training.

TABLE 2.9

DISTRIBUTION OF NEW PWI PROJECTS BY AVAILABILITY OF TRAINING SERVICES

PROJECT YEAR 1982

	NUMBER OF PROJECTS	PERCENT
Provide skill training[a]	8	53
Do not provide skill training	7	47
TOTAL	15	100

[a]Includes classroom and on-the-job training but not work experience, work adjustment, or job readiness training.

- Food service worker
- Janitor or housekeeper
- Machine operator
- Machinist
- Nurse's assistant
- Printer
- Salesperson
- Secretary or word processor
- Bank teller
- Accountant
- Agricultural laborer
- Paper products worker
- Packager or handler

Supportive services, particularly individual or group counseling and the provision of assistive devices, were reported to be available on an as-needed basis by 29 of the projects (58 percent), and 25 of the projects (50 percent) reported performing client assessment, although our site visit observations suggest that this service may also be underreported.

Mix of services offered. Substantial variability was found among projects in the mix of services provided to clients. Projects tend to fall along a continuum on number of services, depending in part on what the organization did prior to receipt of its award or does in addition to PWI. In general, PWI projects operated by private rehabilitation facilities tend to offer a wider range of services than do other PWI projects. A continuum of level of services offered was also noted, depending to some extent on perception of client need. Two of the projects visited during the site visits generally limit services to job placement and followup. Clients who are found not to be job ready are returned to the referring agent (usually the state rehabilitation agency) for other services or referrals as necessary (e.g., work adjustment or skill training). On the other hand, several projects that were visited provide a broad range of services to clients, including:

- Comprehensive intake screening, including vocational evaluation, career aptitude and interest testing, motivational assessment, and intelligence testing;

- Work adjustment training as indicated;
- Skill training (in some skill areas up to 46 weeks) and internships in industry;
- Job readiness and job search training;
- Job development, placement, and followup; and
- Support services such as personal counseling; assistance with housing search, legal services, and attendant care; interpreter services for deaf clients; job modification and assistive devices; and transportation.

Several projects have made changes in their mix of services to accommodate the needs of their clients. One project, for example, has added a training component to its job development and placement activities. Another project that provides a vocational training and placement program has implemented a separate placement-only service for clients with transferable skills.

Finally, there are a few PWI projects that do not provide services to clients but instead perform a variety of functions designed to encourage other organizations to become involved in achieving the PWI goal of competitive placement for handicapped persons. One of these projects, operated by EIF and described more fully in Chapter Three, has as its goal the increased participation of national trade associations in the PWI program. A second project, operated by the National Restaurant Association and also described in Chapter Three, encourages its state affiliates to develop linkages with rehabilitation facilities and state rehabilitation agencies, with the objective of hiring disabled persons. A third project has as its goal the identification of resources that can be utilized to encourage placement of disabled professionals in scientific fields. A fourth project provides training to vocational education teachers to improve their instructional effectiveness with disabled students; this project also trains employers and placement personnel to work with disabled persons. Similarly, a fifth project is attempting to achieve PWI goals through establishment of regional councils that will develop on-the-job training and employment models using a curriculum developed under the project. These projects, the last three of which were initiated in 1982, are addressing the PWI competitive placement

goal at a level that is removed from services to clients. That is, they are not providing placement or related services to clients but instead are attempting to build capacity and commitment among their various constituent groups to accomplish that goal.

Availability of training services. The single dimension on which projects appear to vary most substantially is whether they provide occupational skill training. Some PWI projects focus their services almost exclusively on client placement and followup. Directors of these projects believe that disabled clients often lack access to the job market and that businesses are often unwilling to hire them without the assistance to both employee and employer that the PWI staff can provide. These projects are premised on the existence of an adequate pool of job-ready, disabled persons who can succeed in competitive employment. As a result, project staff are particularly careful in specifying and clarifying client selection criteria; if the clients who are referred are not job ready, placements are likely to be unsuccessful, clients become discouraged, and the project's success is reduced. In several projects visited by the study team, project directors indicated that a fairly high proportion of clients referred to PWI for placement had to be classified as inappropriate referrals and sent elsewhere for other preemployment services. On the other hand, some projects had developed excellent communication with referring agents concerning job readiness and thus were not experiencing a problem with inappropriate referrals.

Most projects do, however, provide some type of occupational training, and many of the persons interviewed for this study believe that occupational training is essential to successful long-term competitive employment. They expressed several reasons for this view. First, a substantial proportion of disabled persons lack occupational skills and employment histories; training programs, often combined with a period of internship or work experience prior to fulltime competitive placement, provide a marketable skill as well as an important orientation to the realities of the workplace. Second, the training period provides an opportunity for placement staff to become familiar with the client both personally and occupationally and thus substantially increases the likelihood of a successful match between client and job. Third, because PWIs

have established relationships with area employers, these employers can provide assistance in developing training curricula that specifically meet the needs of the local labor market. In this way, the PWI projects can ensure that the skills taught to clients are, in fact, marketable. Fourth, provision of training improves the credibility of the client and the PWI project with employers; the employer is assured, and the PWI stakes its continued placement success on this assurance, that the employee has the skills for which he or she is hired.

The experience of one project visited by the study team is instructive in this regard. This project provides training in several electronics-related fields, and each training program has a separate advisory council made up of supervisors in that occupational area. The programs have a high degree of credibility among area employers, and numbers of placements are consistently high. Many employers contact the project when they need to hire electronic technicians or assemblers. In a change from previous policy, however, the project recently established a direct placement program for job-ready persons with transferable skills; the results have been disappointing (38 percent placement for direct-placement clients versus 90 percent placement for training completers). The direct-placement clients, though referred to the project as job ready with occupational skills, are often not job ready in terms of work behaviors and often lack necessary skills, according to the project's director. As a result, the project has expanded the services available to those clients to include job readiness training and, frequently, referral to skills training.

Additional Activities of PWI Recipients

PWI projects exist within the context of the organizations that operate them. Although in many instances the PWI project is maintained as a distinct entity, in many organizations it is integrated into the overall activities of the organization. In one site visited by the study team, for example, where the PWI funding constitutes a small part of the budget for a large, well-established vocational training facility, the PWI concept (i.e., extensive involvement of business and industry in order to ensure responsiveness to labor

market needs) is the governing principle for all of the services offered by the organization. As the director of this project commented, vocational training for the disabled, if done properly, is PWI. In this organization non-PWI activities include operation of a sheltered workshop, conduct of contracted training programs for local school districts and other organizations, and industrial services contracting.

For 23 of the 50 continuation projects and nine of the 15 new projects, project documentation specified the other activities of the parent organization that are not supported by PWI. Most frequently specified activities were general vocational rehabilitation (11 projects), followed by skill training (six projects), and education, either general or vocational (five projects). Several of the organizations provide services to disadvantaged or disabled persons using CETA support. Such services include work experience, job placement, and employability training. The rehabilitation or training focus of most of the activities reflects the distribution of organizational types among PWI projects; as indicated earlier, a majority of PWI projects are operated by rehabilitation facilities or associations, and many are operated by educational institutions. Because fewer than half of the projects provided information on their non-PWI activities, however, these data cannot be considered representative.

Client Characteristics

Information about the clients served by PWI was obtained from project files and site interviews. The completeness of this information varied substantially across projects. For example, fewer than half of the continuation applications included information on severity of handicapping condition, and only 20 included client profile information.[2/] Consequently, this description of PWI clients is incomplete, although it does present a rough overview of the types of clients served by the PWI projects. Included in this description are sections on client selection, demographic characteristics, severity of disability, and disabling conditions of clients served.

[2/] Files for the new projects, which have been operating less than a year, provided information only on clients intended to be served. Data from the new projects are, therefore, omitted from this analysis.

Client Selection

Eighteen of the 19 projects providing information on the selection of clients listed the state rehabilitation agency as the main client referral source. Some projects accept clients not referred by the state rehabilitation agency but require state agency certification prior to entry. Other referral sources listed include Veterans Administration, local school systems, private rehabilitation facilities, and private insurance companies. Some projects require that clients meet certain criteria, including, for example, job readiness, severe disability, adequate motivation, or minimum educational achievement or aptitude. Data reported in Table 2.10 provide information on the number of projects reporting specific selection criteria.

Demographic Characteristics

Project files were extremely sketchy in the area of client demographics; only 20 of the 50 continuation projects included information in any demographic category other than client disability. In 11 of the 13 projects specifying age of clients, the majority of clients are between 20 and 40 years of age. Of the 15 reporting gender, all serve a substantial majority of males. Of 12 reporting ethnicity, nine serve a primarily white population; two, primarily black; and one, primarily Pacific Asian. Of the 10 reporting educational level, six serve a majority of clients with a high school diploma or less, and four serve a majority of clients with at least some postsecondary education.

Severity of Disability

Twenty-one of the 50 continuation projects provided documentary information on the proportion of clients served who are severely disabled.[3/] As shown in Table 2.11, 29 percent of those reporting this information served only clients classified as severely disabled. Almost half (48 percent) reported that 70 percent or more of their clients are severely disabled,

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3/Criteria for classification as severely disabled were not provided by the projects.

TABLE 2.10

CLIENT SELECTION CRITERIA UTILIZED BY PWI CONTINUATION PROJECTS[a]

PROJECT YEAR 1982

SELECTION CRITERIA	NUMBER OF PROJECTS
Required to be job ready	7
Required to demonstrate sufficient motivation	5
Required to be severely disabled	3
Required to be disabled union member	1
Minimum age level	2
Minimum education level	1
Not applicable[b] or not specified	31

[a]Nineteen projects reporting.

[b]Projects that do not provide direct services.

TABLE 2.11

DISTRIBUTION OF PWI CONTINUATION PROJECTS SERVING A SEVERELY DISABLED POPULATION

PROJECT YEAR 1982

PERCENT SEVERELY DISABLED	NUMBER OF PROJECTS	PERCENT	CUMULATIVE NUMBER OF PROJECTS	CUMULATIVE PERCENT
100	6	29	6	29
90-99	1	5	7	33
80-89	1	5	8	38
70-79	2	10	10	48
60-69	2	10	12	57
50-59	1	5	13	62
40-49	2	10	15	71
30-39	4	19	19	90
20-29	2	10	21	100
SUBTOTAL	21	103[a]		
Not applicable[b]	2			
Not specified	27			
TOTAL	50			

[a]Does not add to 100 due to rounding.

[b]Projects that do not provide direct services.

and nearly two-thirds (62 percent) of the reporting projects indicated that at least half of their clients are severely disabled.

All the project directors interviewed indicated that the severity of a client's disability is not the single most important factor in client placement and retention. Other important factors include work history, educational level, socioeconomic background, occupational skills, and personal motivation and stability. For instance, one of the clients who was interviewed is severely physically disabled as a result of muscular dystrophy. Nevertheless, he holds a master's degree in operations research and worked for several years at one of the nation's major technology research laboratories. When interviewed, this client was preparing for three employment interviews and had every expectation of obtaining work soon. Conversely, a nonseverely disabled client with a hearing impairment who had never held a job and had emotional problems was placed in a position in the warehouse of a microcomputer manufacturing firm. This client was experiencing communication problems with his supervisor and required extensive support from PWI staff in order to retain his job.

In both project files and site interviews, indications were that the proportion of severely disabled clients served by PWI projects has increased in the past several years. Some project directors commented that state agency counselors tend to refer their most difficult-to-place clients, who are usually severely disabled, to PWI; at least one project application attributed a decline from the previous year's placement rates to an increase in this practice. On the other hand, one project director commented that he was happy to receive such referrals because he believes that his project can do a better job with such clients, owing primarily to the reputation of his project with employers.

Disabling Conditions of Clients Served

Thirty-five of the 50 continuation projects provided information in their continuation applications on disabling conditions of clients served during the prior year, as shown in Table 2.12. Of the fifteen not reporting this information, two do not serve clients directly. Therefore,

TABLE 2.12

DISTRIBUTION OF PWI CONTINUATION PROJECTS
BY DISABLING CONDITIONS OF CLIENTS SERVED

PROJECT YEAR 1982

TYPE OF DISABILITY	NUMBER OF PROJECTS	PERCENT OF ALL PROJECTS	PERCENT OF PROJECTS REPORTING
All disabilities	27	54	77
Primarily mental illness/ mental retardation	4	8	11
Primarily vision impaired	2	4	6
Primarily hearing impaired	1	2	3
Neurological disorders	1	2	3
Not applicable[a]	2	4	-
Not specified	13	26	-
TOTAL	50	100	100

[a]Projects that do not provide direct services.

information was available on 73 percent of the projects that provide direct client services. Of these, 77 percent reported serving clients representing a full range of disabilities. Eleven percent (four projects) serve clients whose disabilities are primarily mental illness or mental retardation (e.g., Fountain House in New York City); six percent (two projects) serve primarily visually impaired clients (e.g., Arkansas Enterprises for the Blind in Little Rock). One project serves primarily hearing-impaired clients, and one project serves clients whose disabilities are primarily neurological disorders.

These project-by-project variations in client disability reflect several factors. Some PWIs operated by rehabilitation facilities (e.g., Arkansas Enterprises for the Blind and Fountain House) have focused their PWI services on the clients traditionally served by the parent organization. Other projects, such as those operated by IBM, have made explicit decisions to shape their PWI projects to serve clients with certain specific disabilities. Still other projects, such as the Sister Kenny Institute in Minneapolis, intentionally serve clients with any type of disabling condition.

Project Linkages

The approach used by PWI projects to achieve the goal of competitive employment of disabled persons is the development of strong linkages with business and industry. An important component in the development of these linkages is the services that PWI projects provide to employers. In this section information is presented on project advisory councils, as the central vehicle through which relationships are developed. Descriptive information is also provided on other linkages with the business community and on services to employers.

Advisory Councils

The size, composition, activities, and even number of PWI councils vary greatly across projects. Depending in part on function, councils may range in size from as few as five to over 100 members. Based on site visit observations,

councils with large memberships are characterized by a small core of active members. Council membership generally reflects both the industries "targeted" by the PWI project and the functions of the operating organization. For instance, a project that places clients in high technology firms will generally encourage local businesses of this type to participate on its council, while a project that provides training in food service will tend to recruit representatives from local food service businesses. Some project directors seek out senior business executives in order to obtain corporate support for the project, while others prefer to work directly with personnel directors and the line supervisors who exercise more immediate control over hiring. As a general rule, councils also include representation from state rehabilitation agencies, private rehabilitation facilities, and human services organizations as well as from business and industry, although the latter are almost always in the majority. Sometimes staff from other PWI projects serve on a council.

Council activities tend to vary also according to the nature of the PWI project and organization, the commitment and interests of council members, and the motivational skills of PWI staff. Nearly all councils provide advice on PWI project activities (e.g., development of new training programs), and council members are consistently encouraged to consider PWI clients for positions available in the companies they represent. Other council activities include but are not limited to the following:

- Forecasting of labor market trends
- Identification of job openings
- Donation of equipment or supplies
- Provision of informational tours of facilities
- Assistance in recruiting businesses for council membership or into the project employer pool
- Design of training programs, including curriculum, set up of labs, and specification of required skills
- Development of training materials (software, videotapes, manuals)
- Service as instructors in training programs

- Evaluation of clients, particularly in training programs
- Participation in mock employment interviews with clients

Even the number of councils varies across projects. The EIF project sites, for example, typically have an Executive Advisory Board made up of industry and rehabilitation executives who oversee program progress, an Employment Committee of hiring and placement personnel, and a Training Committee, composed of executives of participating corporations, whose charge is to develop or improve training programs for clients. Another project visited by the study team had an Employment Committee, which served as the PWI advisory council, and an Industrial Advisory Committee for each of its six training programs. Membership on the former was primarily personnel managers and corporate executives, and the latter included line supervisors working in the skill areas in which clients were being trained (e.g., electronic technician and electromechanical drafter).

All PWI projects are required to have advisory councils. Interviews conducted during the study suggest a generally high level of activity on the part of the councils. Council members represent many of the nation's large corporations (e.g., IBM, Lockheed, Del Monte, Hewlett-Packard, DuPont, Sears, General Electric, and ARA, Inc.) as well as numerous medium-sized and small corporations. Corporations generally provide release time and other encouragements for participation by their employees in the advisory council activities. Even when direct encouragement is not provided, the number of people willing to become involved appears high. At one site the council chairperson recruits for the council and acts as an advocate for the project in making presentations at civic groups and elsewhere. At another site, a district supervisor of the state rehabilitation agency who works with the PWI project indicated that recruitment of members is no longer necessary; at most of the companies with members on the council (this project had eight subcommittees) there is a waiting list for membership. As this respondent commented, business people enjoy community service, and they are willing to commit time to projects in which they are given a decisionmaking role and can develop a stake in the project's success.

Other Private Sector Linkages

Other business linkages in which PWI projects are involved include communications with employers who hire clients and contacts with employers in attempts to develop job openings or encourage council membership. Data reported in Table 2.13 summarize information from continuation project files for these two activities. It should be noted, however, that information on these linkages was provided in the applications for fewer than half of the 50 projects. Six projects reported that fewer than 20 different employers had hired clients in the previous year, while two reported more than 100 different employers (these were the large, multiple-site projects). Five projects reported contacts (telephone, letter, or personal) with 25 to 50 employers, while four reported over 1,000 such contacts.

Services to Employers

The chief service that PWI projects offer employers is the provision of candidates for employment. In this capacity PWI projects perform many functions (e.g., applicant prescreening) that employers would otherwise have to perform themselves or purchase from an employment agency. In addition to this major service, PWI projects typically perform a variety of other services for employers. While data were not sufficiently complete to tabulate such services, the following list illustrates the variety of services offered:

- Analysis and assistance in job modification
- Assistance with the development and implementation of affirmative action plans
- Advice and assistance with Targeted Jobs Tax Credits and disability insurance claims
- Training for line supervisors in managing disabled persons in work situations
- Publishing of newsletters directed to employers
- Provision of seminars, workshops, training courses, and other forms of technical assistance for executives and personnel managers
- Interpretive services for deaf employees

TABLE 2.13

DISTRIBUTION OF PWI CONTINUATION PROJECTS BY NUMBER OF EMPLOYERS HIRING PWI CLIENTS AND NUMBER OF EMPLOYERS CONTACTED

PROJECT YEAR 1982

NUMBER OF EMPLOYERS HIRING	NUMBER OF PROJECTS	NUMBER OF EMPLOYERS CONTACTED	NUMBER OF PROJECTS
≤ 20	6	25-50	5
21-30	3	51-100	6
31-40	3	101-150	1
41-50	6	151-200	1
51-60	2	201-300	1
61-70	-	301-400	-
71-80	1	401-500	1
81-90	2	501-600	2
91-99	-	-------	-
≥ 100	2	1,000	4
SUBTOTAL	25		21
Not specified	23	Not specified	28
Not applicable[a]	2	Not applicable[a]	1
TOTAL	50	TOTAL	50

[a]Projects that do not provide direct services.

- Comprehensive followup and crisis intervention services for employers experiencing problems with handicapped employees

Conclusions

Perhaps the single most striking characteristic of PWI projects is their diversity. As described throughout this chapter, PWI projects are operated by a number of different types of organizations, including rehabilitation facilities and associations, labor unions, private corporations, educational institutions, and national trade associations. While most projects serve clients with a wide variety of disabilities, some target services to individuals with particular types of disability. The computer programmer training projects started by IBM, for example, serve severely physically disabled persons who have sufficient educational achievement and aptitude levels to succeed in training. The Fountain House project serves primarily clients who are mentally retarded or emotionally ill, while the PWI project operated by the Arkansas Enterprises for the Blind serves only visually impaired persons. Variations in the types of clients served through PWI may result from an organization's larger mission (as with Fountain House or Arkansas Enterprises) or from a decision to establish a specific type of PWI project focusing on a particular type of client (as with IBM).

Projects vary also in the types of services provided to clients. Some projects limit their services to job development, placement, and followup. Of necessity, such projects accept only job-ready clients (i.e., those with a marketable skill and appropriate work behaviors) into the project. Other projects offer a comprehensive range of services, including client assessment, occupational training, employability development, job development, job placement, job followup, and supportive services. Such projects are usually, though not always, operated by rehabilitation facilities. Some of the projects that at the outset limited their client services to job development, placement, and followup have found that the addition of other services has been necessary to meet the needs of their clients. By contrast, one of the PWI projects that

offers comprehensive services has recently implemented a placement-only component. These examples emphasize the diversity of PWI projects and, perhaps more important, their flexibility in making changes to increase their effectiveness.

An important observation that emerges from this overview of PWI projects concerns the availability of information on project characteristics and performance. Most projects maintain a substantial amount of information concerning their operations, clients, and outcomes. Because there are no uniform information reporting procedures, however, much of this information is not transmitted to RSA in a way that permits aggregation of information across projects. It would be useful to the projects, to RSA, and to others interested in the development and effectiveness of the PWI concept if standardized reporting procedures were established. Information on PWI operations and outcomes would be particularly useful for groups or organizations attempting to replicate PWI strategies for assisting disabled persons to obtain competitive employment.

CHAPTER THREE

ANALYSIS OF SELECTED ISSUES

During the course of interviews conducted with persons knowledgeable about the PWI program and site visits to seven PWI projects, information was collected to investigate several specific issues. In this chapter analyses of this information are presented as answers to four questions:

- What types of performance measures are most useful to apply to PWI projects?
- What factors are most important in shaping PWI project performance?
- Could state rehabilitation agencies operate PWI projects?
- What types of organizations operate local PWI projects and networks of PWIs, and what are the special features of projects operated by trade associations?

Responses to these questions are presented in the sections that follow.

What Types of Performance Measures Are Most Useful to Apply to PWI Projects?

This section assesses the advantages and disadvantages of each of four measures of project success frequently used in connection with PWI: number of placements, retention rate, average wage at closure, and cost per placement. In addition to these four measures, several projects have developed their own performance indicators, two of which are also discussed in this section.

Performance measures can be used for a number of different purposes under the PWI program. They can be used, for example, to make comparisons among PWI projects. When aggregated across projects, they can permit the development of reports on the performance of the national PWI program as a whole. In addition, measures of performance are often used in a single

project as an internal management device to assess changes in performance over time. A single measure of performance rarely can be used for all three purposes, however. A measure that is useful in charting the progress of a single project over time, for example, may be of no value in comparing one project to another.

PWI project applications typically report prior year performance using one or more of these measures. In reviewing the 50 continuation applications, an attempt was made to aggregate the available performance data. However, the definitions of the measures, as well as the methods used to compute them, varied from project to project. Moreover, the performance data could not be independently verified. Therefore, although performance data are reported in this section, they should be viewed with caution in assessing project performance.

The following review of the four performance measures addresses three questions. How is each measure defined and computed? For what purposes is it most useful? What is known about current PWI performance in terms of each measure?

Number of Placements

All of the PWI projects that were visited maintain records of the number of clients who obtain competitive employment, and, in these projects at least, a common definition of "placements" is in use. A placement is counted only after the client actually begins work. Temporary placements in on-the-job training or transitional employment are not counted as placements in any of the projects visited, even though the temporary placement may last as long as six months.

On the other hand, if a client finds his or her own job, it is often considered a PWI placement as long as the client received some services from the project. The directors of several projects visited by the study team classify these types of placements as "job assists" in their internal management reports. In this way they are able to monitor the number of placements made by their own staff, as contrasted with the number of job assists. In their reports to RSA, no differentiation is made between the two types of placement. In other projects, a principal service provided by

the PWI is the training of clients to find their own jobs, and clients are required to make their own employer contacts. In these projects, directors do not use the job-assist classification.

Most project directors interviewed in the site visits believe that the number of placements is an inappropriate basis for comparing one PWI project to another, even though monitoring the number of placements over time is a necessary and useful task for internal project management. Projects are sufficiently different in size, type of clientele, and local economic conditions that a simple comparison of projects on the basis of number of placements provides little information about the relative success of individual projects. The number of placements for the 46 projects reporting this information in the continuation applications ranged from 14 to 502 per project year, for a total of approximately 5,700 placements.[4/]

Retention Rate

The job retention rate measures the percentage of clients placed in competitive employment who remain on the job for some specified length of time--usually 60 days. Sixty days of continuous employment is the retention standard employed by the state rehabilitation agencies, and in each of the PWI projects visited this standard has been adopted. It is not unusual for PWI projects to report 60-day retention rates of 80 to 90 percent. In the 20 continuation project applications that reported retention data, the retention rate ranged from 44 to 100 percent and averaged 80 percent. Most project directors attribute the high retention rates to their efforts in matching clients with positions for which they are qualified and to the provision of followup services.

On the other hand, projects do not typically report the number of times a client must be placed before a retention is achieved. At one of the sites visited during the study, the PWI placement specialist indicated that some of his clients had to be placed several times before a successful placement occurred. Consequently, the retention rate may not fully indicate the

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[4/] Adjusted for projects reporting data for less than a full year.

amount of effort expended by PWI staff to place their clients in permanent employment.

State rehabilitation agencies customarily close a client's case after 60 days of continuous employment. Most of the PWI projects that were visited keep their client cases open beyond 60 days, however, sometimes as long as a year or more after placement. In fact, the policy of one of the projects visited is to keep a case open permanently. A client of this PWI, who is deaf and who has been employed for two and a half years, reported to a member of the study team that a PWI counselor has attended each of her six-month performance reviews in order to provide interpreter services. Both she and her supervisor agreed that the continuation of PWI services has been very important to her continued employment. The importance of followup services to job retention was corroborated by project staff in a number of different PWIs.

Most project directors agree that retention rate is useful as one measure of the success of a project. It is used consistently by directors to monitor their own projects, and most believe that, if used with caution and in conjunction with other performance measures, it can be valuable in comparing one project with another.

Average Wage at Closure

Average wage at closure is a measure of the salary level of the positions in which PWI clients are placed. Projects typically collect and report this information in their project applications to RSA. Thirty of the 50 continuation projects reported this information in their 1982 applications. The average wage at closure ranged from $3.50 per hour to $13.85 per hour across the 30 projects. Wage levels for individual clients ranged from $1.35 (plus tips) to $20.48. Twenty of the 30 projects reported minimum wage as the lower end of the wage range, which suggests that at least some proportion of clients are being placed in entry-level jobs.

The study team found that few project directors attach much importance to average wage at closure as a project performance measure, either as a means of monitoring the progress of a project over time or as a basis for

comparing projects. The principal reason given for this assessment is that the average wage depends heavily on the client population that is being served. For instance, one of the projects that was visited serves only severely disabled individuals with IQs above 120 and trains them to be computer programmers. It is not unusual for a graduate of this program to earn $20,000 a year when placed. This project's high average wage at closure is relevant in compiling a description of the project but has no real use as a comparative indicator of the project's success. A project that places mentally retarded clients in minimum wage jobs could not be said to be less successful than the project placing high-IQ clients in much higher-paying positions.

Cost Per Placement

Cost per placement is the performance measure that has been used most frequently in the RSA program office, both to assess individual projects and to report on the national program as a whole. Cost per placement is generally calculated by dividing the dollar amount of the RSA award to a project by the project's total number of placements during the project year. The goal set by RSA for individual projects and for the program as a whole is $1,000 per placement.

Because the RSA program staff want to encourage local creativity in attracting additional funds, they consider only the cost to RSA for each placement in computing cost per placement. For instance, a project that requests $100,000 to place 100 individuals would be viewed favorably, even though the project might actually spend an additional $50,000 from other sources in placing those 100 clients. Another factor that may inflate actual placement costs is the fact that the PWI client may have received extensive services from the state rehabilitation agency prior to referral to PWI. In addition, some PWIs accept only job-ready clients from the state agency, so training costs have typically been paid from state agency funds.

On the other hand, RSA personnel report that projects that require more than $1,000 per placement are not necessarily denied funding. New

projects with heavy start-up costs and projects that serve particularly hard-to-place clients may justifiably require more than $1,000 per placement, according to reports given to the study team.

RSA respondents reported that they try to keep the average RSA cost per placement across all projects below the $1,000 standard. According to one program official, the staff takes prides in reporting to Congress that, for every $1,000 it approves for the program, at least one severely disabled individual is placed in competitive employment. Data reported in the FY 1983 applications substantiate the $1,000 figure. In all, 23 of the 50 continuation projects reported cost per placement. Cost per placement based on RSA funds ranged from $403 to $3,571. The average cost was $973, which is very close to the RSA standard of $1,000. The median cost per placement (based on the project as the unit of analysis) was $806. It should be noted, though, that fewer than half of the projects reported cost-per-placement, so the average or median across all projects could not be calculated.

Project directors often use the cost per placement figure for internal project monitoring purposes. The cost per placement can, and does, fluctuate when local labor market conditions change, when the types of clients referred to the project change, or when the number of referrals increases or decreases dramatically. In one project located in a central city in the Midwest, for example, the cost per placement figure has been going up over the last year due to the national economic downturn. In the second quarter of 1982 the cost per placement was $1,224. In the third quarter, it had risen to $1,466. The project director reported that he monitors these shifts carefully each quarter and takes whatever remedial action is feasible (e.g., locating new employers) to lower his placement costs.

The cost per placement figure is not particularly useful for comparing one project to another for several reasons. The first is the significant variation in the client population served from project to project. Placing a mentally retarded client who has never worked in a competitive job can be expected to cost more than placing a college graduate who worked for several years before becoming disabled. Second, the figure is often computed differently from project to project, thus reducing the comparability of the

figures. For instance, in one project that receives funds from the state rehabilitation agency and from a private corporation, the total funds expended are divided by the total number of placements, despite RSA's policy of considering only RSA funds. Third, cost per placement can vary significantly depending on the size of the project. One project, for example, whose PWI funding from sources other than RSA has grown rapidly over the last several years, reported a drop in its cost per placement during the last year from $900 to $564. The project director explained this decrease, in part, in terms of the efficiencies of scale made possible by project expansion. To the extent that this explanation is correct, it would not be surprising for a project working with a $50,000 budget to have a higher cost per placement than a project with a budget of $250,000.

Other Performance Measures in Current Use

The study team found that two other measures of performance are used in some projects: placement rates and cost/benefit estimates. The placement rate is usually defined as the proportion of project participants, or training graduates, achieving competitive employment. This measure is used in many, though not all, projects with a training component because it permits the director of the project to monitor how many of the clients who complete a program of some predetermined length are successfully placed. The placement rate is rarely, however, used in projects that do not have a training component. These projects typically maintain an active caseload that is quite large so that, when the companies linked to the project have an opening, the staff will be able to refer a client with appropriate qualifications. Because these projects generally do not expect to be able to place all the clients they accept, the placement rate is not considered a useful measure of performance for them.

Cost/benefit estimates are also calculated in several projects. Benefits are computed by adding the annual taxes that will be paid on the average wage at closure to the average savings to the government of the support payments that can be discontinued when the client is employed. The cost per placement is computed by adding the net cost of training per

placed graduate to the amount of funds received from RSA and the parent organization for each placed client. Based on 1981-82 data, one project, for example, estimated benefits after one year of employment at $12,750 per placed individual, while the cost per placement of the services equaled $13,925. On this basis, the cost of training was estimated to be reimbursed after 57 weeks of continuous employment.

Assessment of PWI Performance Measures

Information to compute number of placements, retention rate, average wage at closure, and cost per placement is systematically collected by most of the projects that were visited. Projects vary, however, in their definitions of the measures and in the way they are computed. The measures are principally used to report to RSA and to monitor the progress of each project. Using data from the annual PWI continuation applications and elsewhere, RSA uses project performance data to report to Congress and others on the progress of the national PWI program.

Because projects are so diverse and face such different conditions, the identified performance measures, either individually or collectively, do not permit useful comparisons to be made among projects. If projects are to be compared, measures must be developed that take into account the diversity across projects in such areas as client characteristics, project service mix, labor market conditions in the localities that projects serve, and other factors.

The project directors who were interviewed agreed that one of the reasons the PWI program has been so successful is that it has emphasized outcomes (i.e., placement in competitive employment) rather than process. It is clear that this focus should be maintained and that accountability for successful outcomes is important. For this reason, the development and implementation of a uniform program evaluation system would facilitate the ongoing assessment of the performance of local projects and of the program as a whole.

What Factors Are Most Important in Shaping PWI Project Performance?

All of the project directors, as well as many of the employers, clients, and state agency representatives interviewed by the study team, were asked to identify factors they believe to be important in shaping project performance. That is, what activities and strategies at the project level are most important in accomplishing the overall goal of assisting disabled persons to obtain competitive employment? The following six factors were mentioned repeatedly as important to project performance:

- Private sector linkages
- Employment performance of clients
- Linkages with the state rehabilitation agency
- Abilities and performance of the project director and staff
- Reputation of the recipient organization
- Business orientation of the project

These six factors are discussed individually in this section.

Private Sector Linkages

The single most important element in the success of a PWI project, according to many of the persons interviewed, is the relationship between the project and the business community. The PWI approach to placement is based on the assumption that the employer and the client can both benefit significantly from a successful job placement. The employer can gain a competent and highly motivated employee, and the client can gain independence and self-esteem through full participation in the labor market.

Projects that appear to be most successful in placing disabled clients are those that have most thoroughly adopted and communicated this philosophy. A significant expression (and vehicle) for this linkage is the PWI advisory council. The role played by the advisory council varies from

project to project but typically includes some combination of the following: designing and supporting training programs; interviewing and hiring PWI clients; forecasting labor trends; identifying companies that might be hiring; and helping clients learn job-seeking skills.

Many employers emphasized that the principal reason they participate in the PWI project is that the services they receive from by the PWI staff are of consistently high quality and are superior to the services they have received from other placement programs. In one of the projects visited, employers pay an annual fee of $1,000 to $2,500 in order to purchase PWI services. These services include the provision of qualified job applicants, followup services for disabled employees and their supervisors, job analysis and modification, human relations training seminars for line supervisors, and consultation on tax and legal issues related to employment of the handicapped.

Several project directors stressed that what differentiates a PWI project from a state rehabilitation agency is that a state agency's purpose is to serve its clients. The purpose of a PWI is to serve both clients and employers. In return for the high quality services they receive from the PWI project, employers offer their expertise, and often their job openings, to it. This relationship appears to the study team to be the key to the success of a project. Not surprisingly, the absence of such a relationship or the poor quality of the private sector linkage has a highly damaging effect on a PWI project.

Employment Performance of Clients

According to persons interviewed during the study, a PWI project's success reflects, in part, its continuing ability to provide employers with well-trained, highly motivated employees. As several PWI project directors commented, a project's future effectiveness is on the line each time a disabled person is placed in competitive employment. Most of the employers interviewed during the site visits concurred with this view. While affirmative action, the Targeted Jobs Tax Credit, or other factors may play a part in the employment of disabled persons, the responsibility of supervisors to meet production goals in order for corporations to make profits

is the major factor in hiring decisions. Thus, it is essential that PWI projects be able to ensure the skills and job readiness of clients and demonstrate to employers the economic benefits of hiring disabled persons.

The contrasting experiences of two projects demonstrate the importance of the employment performance of clients. A recent study by one employer (a large chemical manufacturing corporation) showed that the performance of its disabled employees in such areas as punctuality, attendance, and productivity had equaled or exceeded that of the corporation's general employee population, and the corporation was enthusiatic about hiring additional disabled persons from the PWI project. By contrast, another large corporation, in opposition to the strong advice of PWI project staff, had retained an ineffectual disabled employee until the situation had become "disastrous" (according to the PWI project director). This firm, while continuing some involvement with the PWI project, is no longer willing to hire project clients.

Linkages With the State Rehabilitation Agency

PWI projects are dependent on the state rehabilitation agency for client referrals, client data, and often the provision of important services to clients. Productive relationships with the state agency are, therefore, very important to project success. Members of the study team interviewed state agency representatives, including one state commissioner, a district manager, and a number of placement specialists, supervisors, and counselors, in five states. Typically, the state agency employees who were interviewed worked closely with their local PWI projects, and several of them were members of PWI advisory councils.

A number of different types of state agency linkages were observed. In one state, for example, the PWI project is partially supported through a contract with the state rehabilitation agency. In another state, the PWI project receives a grant from the state agency that is larger than the project's RSA award. In this state, two PWI-funded projects operate in the state, both receive state funds, and together they have opened PWI offices in 11 locations throughout the state. In most of these sites, the PWI

placement specialist works out of the offices of the state rehabilitation agency. Additionally, the state rehabilitation commissioner has appointed a full-time PWI liaison, who reports directly to the commissioner. The liaison has formed a statewide task force made up of state agency supervisors and counselors, as well as PWI project directors and placement specialists. That body meets once every three months to resolve conflicts, standardize reporting procedures and definitions, and agree on referral criteria. Although this state represents a particularly high level of state agency coordination with PWI, other states have mechanisms in place similar to one or more of these coordinating features.

Respondents in several states agreed that the major conflicts between the state agency and the PWI are generally the result of misunderstandings about referral criteria. PWI staff indicated that state counselors sometimes refer clients who are not job ready, are not qualified for the PWI training program, or do not have completed files. These clients are often sent back to the state agency, an action that frequently is troublesome to the clients' counselors. The chief of placement for one state rehabilitation agency acknowledged this problem and noted that it was his job to train the counselors in how and when to refer clients to PWI. He stated that some counselors do not use PWI services because they think it is too time-consuming or expensive to get the client job ready. In addition, he noted that the counselors can close a client's case without ever placing the client in competitive employment.[5/] Other counselors, he emphasized, use PWI on a regular basis and are pleased with the results.

Many of the project directors described formal mechanisms, such as PWI seminars for state counselors, and informal mechanisms, such as frequent telephone discussions, that have been put into place in order to maintain healthy working relationships. All agreed that this aspect of PWI administration requires their close attention.

5/For example, a case can be closed if a client is placed in sheltered employment or if the client has been rehabilitated to the point that he or she can be a "homemaker."

Abilities and Performance of the Project Staff

Several individuals stated that an essential element in a project's success is the quality of the project staff, especially the project director. In one project that has been in operation for about six years, for example, a director of the recipient organization attributed the success of the project to the soundness of the PWI concept and to the core of energetic, talented people who staff the project within his organization. He perceives his own problem to be one of institutionalizing the project so that its success is not dependent on a few individuals. In another project, notable for the high level of involvement by senior corporate executives, several of these executives attributed the project's success to the performance of the project director.

It is somewhat surprising, given the important role of the project directors and their staff, that these individuals reflect widely varying backgrounds and areas of professional expertise. For instance, in one project the director and all the placement specialists are certified rehabilitation counselors. In another project, very few members of the staff have backgrounds in rehabilitation. In both cases, however, the directors consciously seek out staff members who they believe will be able to relate well both to members of the rehabilitation community and to corporate representatives.

Reputation of the Recipient Organization

The reputation of the organization that sponsors a PWI project is often very important to the ability of the project to develop relationships with employers, especially when a project is in the early stages of development. The parent organization's standing in the community can influence the success of efforts to enlist employer support, whether the project is concentrating on small, locally owned companies or on large, national or international corporations.

For example, one employer who had hired five PWI clients in a seven-month period commented that she refused to see the PWI placement specialist for a number of months, because she had been sent so many poorly qualified

applicants by other placement programs. When asked why she finally agreed to meet with the PWI representative, she responded that, when she realized what organization was operating the program, she decided their placement services might be better than the others she had encountered.

In another project established by a large corporation with funds contributed by both the PWI program and the corporation, the project advisory council is unusually active, and, according to one respondent, local businesses have waiting lists of persons who wish to become members of its various subcommittees. An important factor in generating the commitment of the business community to the project has been the reputation and prestige of the corporation that established the project. Further, the participation of a well-respected rehabilitation facility has been important in the project's ability to develop the relationships necessary for project implementation.

Anecdotes such as these were heard repeatedly by the study team during the course of the project visits. These stories underscore the importance of the reputation of the parent organization in ensuring PWI project success.

Business Orientation of the Project

Central to the principles on which the PWI program is based is the notion that the rehabilitation process must be infused with a business orientation. Thus, in talking to members of a PWI staff, it is not unusual to hear statements such as, "Our product is the client, and if we want to sell that individual, we must first understand the person's abilities, then actively market the individual, help him or her when needed, and remain accountable for the quality of his or her job performance." It is not unusual to hear an employer argue that what differentiates PWI from other placement services is its business orientation, or as one employer put it, "They don't act like social workers; these people deliver what they promise."

In varying degrees, the study team observed this businesslike approach to rehabilitation in each of the projects it visited. In one site, for example, the facility's executive director, a former corporate executive, rescued the facility from bankruptcy by imposition of stringent

business management and accounting practices on all phases of operations. The facility has since flourished, in part because of the business community's recognition of its sound management and the quality of its product (i.e., trained, motivated employees).

The business orientation observed in the projects can be attributed in part to the functioning advisory councils and to the program's focus on outcomes.

Assessment of the Factors Shaping Project Performance

As the preceding discussion suggests, PWI project success appears to be contingent on the extent to which project staff create a climate that encourages the active participation of all constituencies (i.e., the business community, state rehabilitation agencies and rehabilitation facilities, and the population of disabled persons) in accomplishing the goal of placing disabled persons in competitive employment. Project staff capabilities and the reputation of the PWI project's parent organization are central to the process, the former because projects are unlikely to succeed without staff capability to forge necessary linkages and the latter because it often provides the initial credibility that enables the PWI project to get underway. What apparently distinguishes efforts of PWI projects from the efforts of other organizations attempting to accomplish similar goals is the extent to which they recognize and adopt the outcome orientation and goals of the private sector as well as the extent to which they communicate this orientation to the business community.

Could State Rehabilitation Agencies Operate PWI Projects?

In interviews conducted for this study, several individuals familiar with the history of the PWI program stated that the program was originally intended to provide support for the demonstration of public-private partnerships as a means to improve job training and placement for the handicapped.

These demonstrations were intended to provide prototypes for eventual adoption and implementation by state rehabilitation agencies. According to interview respondents, however, that view of the purpose of the PWI program is no longer held either in Washington or in the field. Instead, the PWI program has come to be viewed as a relatively small but important service delivery program that supplements the job training and placement efforts of the state rehabilitation agencies.[6/]

In explaining this shift in program purpose, federal officials explained that it has become clear that state agencies simply are not appropriate organizations to operate public-private partnerships such as those envisioned and implemented under the PWI program. Several factors have contributed to this realization. Some respondents noted, for example, that a PWI project operated by a state agency would not be able to attract funds from private sources in the same way that many PWI projects now do. Another factor is that the service areas of some of the PWI projects extend beyond the boundaries of a single state and therefore require coordination by a governmental unit larger than a state agency. One respondent at the federal level suggested that several state agencies have historically viewed the PWI program as an intrusion into their sphere of responsibility and that, in general, they still do not greet PWIs with great receptivity; for this reason some states would be unlikely to adopt PWI approaches to job training and placement.

One purpose of the interviews with state agency personnel in this study was to investigate the validity of these assertions by assessing current state involvement in PWI-funded projects and state interest in implementing public-private partnerships on a PWI model. In each of these interviews the respondent was asked his or her perceptions of the objectives and effectiveness of the PWI program and also whether a state rehabilitation

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[6/]This view is the consensus of the study respondents. However, at least one state rehabilitation agency has in recent years implemented the PWI approach to placement. An investigation of this effort was beyond the scope of this study, although an assessment of this state's experience would be useful in further considerations of this question.

agency could operate a PWI. The individuals interviewed do not constitute a representative sample of state agency personnel, but their perspectives on the PWI program help to clarify some of the issues concerning relations between PWI projects and state rehabilitation agencies.

Without exception, the individuals who were interviewed were very knowledgeable about the strategies used by their local PWI project to train and place severely disabled individuals in jobs, and all of them supported the PWI approach to placement as implemented locally. Repeatedly, the study team was told by these state agency officials that the key to PWI's success is that the PWI staff meet, listen to, and develop long-term relationships with employers. No state official interviewed by the study team suggested that there is a better strategy for placement of disabled persons than that developed by the PWI program. Beyond endorsement of the local PWI project, however, the responses of state agency personnel became more varied and complex.

Current State Involvement in PWI Projects

In the states that were visited, the state agencies are involved in their local PWI projects in a number of ways. State agency personnel serve on local PWI advisory councils, and most of the clients served by PWI are referred by state agency counselors. PWI staff often conduct seminars or workshops for counselors to introduce them to the concepts and services of the local PWI project. Thus, interchanges among the staffs of the state agency and the PWI are frequent and, according to reports received by the study team, productive.

In many states, the involvement of the state agency in the PWI project runs deeper. For instance, in one of the states visited, the state agency had collaborated for several years with a PWI project in an activity designed to provide PWI-type services in small communities throughout the state. The PWI staff provided extensive technical assistance to these new projects, and the state provided two grants to initiate the projects. In a second state, a PWI project that was started with federal funds is now supported through a $250,000 contract with the state agency. In a third state, in

addition to a federal PWI award, the PWI project receives a $348,000 grant from the state agency to provide placement services, transitional employment opportunities, and industrial evaluations to state agency clients. Moreover, as noted previously, many of the PWI placement specialists in that state are located in state agency offices scattered throughout the state, and the state commissioner has appointed a full-time PWI liaison for the state. In several states, state support for PWI projects operated by rehabilitation facilities has been through long-term relationships based, in part, on state agency purchase of training services on a fee-for-service basis. In many instances, these relationships predate the PWI project itself.

It is clear, then, that state agencies can and do support PWI projects in a variety of ways. However, the study team was told repeatedly how limited state rehabilitation funds are. In the state that provides a $348,000 grant to the PWI project, a placement specialist emphasized that it was not clear how long those funds will be available. Similar financial problems were described in other states. According to most respondents, to expect state agencies to expand current funding for PWI projects is, therefore, unrealistic.

Feasibility of State-Based Strategies for the National PWI

One high-level state rehabilitation official was asked by the study team what would happen if the federal government allocated PWI funds to the states and let the state rehabilitation agencies distribute the funds to organizations of their choice. He replied that, in general, states would tend either to give all of the funds to rehabilitation facilities or to keep the money within the state agency to use for other purposes. This respondent expressed his belief that the best PWI projects are those operated by industry groups and that RSA should make an effort to channel a large proportion of PWI funds to projects operated by such groups.

Many respondents described the inherent conflicts in state operation of PWI projects. Several state officials noted, for example, the hesitancy of private employers to become directly involved in a state-operated program.

This perception was corroborated in interviews with employers, many of whom indicated that their superiors would discourage participation in a project administered by a government agency. Both state officials and employers pointed out that a PWI project operated by a state agency would be unlikely to attract funding from private sources, such as foundation funding or charitable contributions by corporations and individuals. One PWI project that was visited currently receives funds from both the state agency and a private corporation as well as the national PWI program. Respondents suggested that the corporate contributor would not have provided those funds directly to a state agency, even if it were operating a project on a PWI model.

A second problem in the state operation of PWI projects is that state rehabilitation agencies typically have few established linkages with the private sector. Several respondents commented to the study team that, even when caseloads are small, counselors often hesitate to make contacts with employers. Few counselors, for example, have been trained in conducting employment-related outreach. In response to this problem, in at least one state seminars are now being conducted to teach counselors some of the placement skills developed by PWI.

A third problem in state operation of PWI projects is that, even in those states where placement has been made a priority and where placement specialists have been appointed to improve the agency's linkages with employers, problems have surfaced. In two different states, the study team was told that counselors, unaware of the needs of employers, often "dumped" clients who were not job ready on the placement specialist. The placement specialist, understanding that future placement success depends on the employer's satisfaction with past placements, then often sent back those clients not considered job ready, which would antagonize the referring counselor. In these two states, the end result reported to the study team was severe intraorganizational conflicts between the placement staff and the counseling staff. To the extent that these problems are widespread, state operation of PWI projects would appear likely to increase the incidence of "dumping" difficult clients.

Disagreements over which clients are ready for placement services are also common in relations between PWI projects and state agencies, but apparently the organizational and geographical separation of a PWI from a state rehabilitation agency may help in stimulating the establishment of formal settings in which these problems can be addressed. For instance, according to the directors of several PWI projects that were visited, when disagreements and misunderstandings arise over client referral criteria, meetings with counselors are held to clarify PWI requirements for acceptance of clients into the program. In the state where PWI placement specialists are co-located with state counselors, however, the study team was told that the conflicts more frequently degenerate into unproductive squabbles between individuals, even though meetings to discuss referral criteria are held regularly.

Assessment of the General Replicability of PWI by State Agencies

To summarize, the study team found considerable support for the principles and techniques of the PWI training and placement approach among the state agency officials interviewed for this study. In several states, the rehabilitation agency has provided substantial support, both financially and otherwise, to the PWI projects in the state. Placement specialists in some states have also adopted PWI techniques in their efforts to place severely disabled individuals.

On the other hand, the potential for expanded involvement in PWI by the state agency is limited for a number of reasons. One reason is that state agency funds are increasingly scarce, thus precluding most new program initiatives. In addition, most respondents believe a state-operated PWI would have difficulty mobilizing employer involvement in the project and attracting private sector financial contributions. Moreover, most state agency employees are primarily concerned with the disabling conditions of their clients and have not been trained in employer outreach skills. As one respondent put it, even if the state had unlimited funds, it would take many years to institutionalize in a state agency the PWI approach to placement, which requires frequent and consistent employer contacts.

What Types of Organizations Operate Local PWI Projects and Networks of PWIs, and What Are the Special Features of Projects Operated by Trade Associations?

As described in Chapter Two, a number of different types of organizations currently operate PWI projects. These organizations include private rehabilitation facilities, labor unions, educational institutions, trade associations, and private for-profit corporations. According to federal officials interviewed for this study, an early objective of the program was to encourage applications for PWI funding from a broad range of organizations. A primary reason for this objective was to stimulate employment commitments from as many types of employers as possible. This commitment was considered essential because of the broad diversity in the skills and backgrounds of handicapped people.

Use of PWI Awards to Stimulate Networks of PWI Projects

The two types of organizations participating in the PWI program in its earliest days were private for-profit corporations and rehabilitation facilities. RSA staff found that there were clear-cut advantages and disadvantages associated with PWI projects operated by each type of organization. The rehabilitation facilities understood the special needs of handicapped individuals, and they had experience in delivering occupational training and other employment-related services to this population. In addition, most already had established relationships with state rehabilitation agencies. Another advantage of a rehabilitation facility as a PWI service provider was that it could recruit employers from any occupational area in which client placement potential existed. On the other hand, a limitation of rehabilitation facilities was that they were generally inexperienced in gaining access to the business community. Most had not previously involved private sector representatives in the design of training and placement sevices, as was required under PWI.

A different set of opportunities and constraints was observed in the effort to attract private corporations as direct sponsors of PWI projects.

To some extent, these opportunities and constraints were seen in the first corporation-based PWI project, which was operated by IBM. As originally established and as currently operated, IBM uses PWI project funds and its own resources to establish computer training programs for the severely physically disabled. IBM typically identifies a local rehabilitation facility or other institution to operate the project in the selected area, and then an IBM technical assistance team assists the facility in designing the total program, including the recruitment, selection, and training of handicapped persons and the placement of graduates in competitive employment as computer programmers. More than 20 such projects have been established in local communities around the country. One advantage of this model is that RSA can be certain that the local project is responsive to the needs of the private sector, because it is a private corporation that directs the project's establishment. Another advantage is that with one PWI award to a corporation such as IBM, with locations all over the country, RSA can initiate many local projects. IBM takes responsibility for selecting the location and facility, developing the necessary relationships with the state rehabilitation agency, directing the establishment of the project, mobilizing the necessary comunity resources, and providing technical assistance. A third advantage is that IBM's reputation consistently facilitates access to the local business community. As a result, the development of active and well-functioning project advisory councils has been expedited.

There are, however, several disadvantages to the IBM model. The most significant disadvantage is the apparent scarcity of corporations willing to follow IBM's lead. Locating corporations willing to devote the necessary time, energy, and commitment to the goals of the PWI program has been no easy task. Moreover, the study team was told repeatedly, by both federal officials and corporate executives, that for-profit corporations generally are reluctant to accept federal funds, especially if the funding mechanism is a competitive grant. In addition to the difficulty of identifying companies with a serious interest in severely disabled individuals, most companies employ no one with an understanding of how to identify a high-quality rehabilitation facility, how to establish relationships with state

rehabilitation agencies, or how to locate and work with severely disabled individuals. RSA staff, for example, had to work closely with IBM in the early years of their association in order to help them develop good relationships in the rehabilitation community.

Another disadvantage to corporate sponsorship of PWI projects is that, although each award to a corporation might generate multiple local projects, all of those local projects would probably serve the same type of clients in a single skill area. IBM, for example, serves only severely physically disabled individuals with high IQs and high-level mathematics skills. In addition, it provides training only in computer programming and similar computer-related fields.

An important lesson that RSA learned from its experience with IBM was that one recipient organization can be used to establish and manage many local projects. Through the establishment of project networks under a single PWI award, the federal-level PWI staff, which has never been larger than one or two individuals, can hold the recipient organization accountable for productivity, cost efficiency, and quality without having to monitor each local project individually. At the local level, projects have apparently appreciated the opportunity to experiment with new and innovative approaches to training and placement without direct federal supervision or intervention. Moreover, after a year or two of experience, the recipient organization generally becomes more skilled at establishing local projects, so that subsequent projects can benefit from that experience. Projects established by a common sponsor, such as IBM, also benefit from contacts with each other, contacts that can be facilitated by the parent organization. (For the IBM projects, for example, contacts among projects have been formalized through the establishment in 1979 of the Association of Rehabilitation Programs in Data Processing, which promotes communication among the projects through annual conferences, newsletters, and assistance in the development of new projects.)

Factors Affecting the Current Mix of Organizational Types

From the earliest days of the program, then, RSA has funded organizations that propose to establish multiple sites under a single PWI award.

In IBM's case, the organization was a corporation, but other types of organizations with national networks have been supported as well, including labor unions, associations of rehabilitation facilities, and trade associations. One such group has been Goodwill Industries of America. From its headquarters office in Bethesda, Md., Goodwill establishes, manages, and provides continuing assistance to local Goodwill affiliates that want to operate PWI projects. Using funds received under its PWI award and its own resources, Goodwill selects local Goodwill organizations to operate the projects, assists them in establishing their projects, and provides continuing support after projects are operating. Once a project is fully under way, Goodwill of America sometimes suggests that it apply directly to RSA for PWI funding. The National Association of Rehabilitation Facilities is another network of rehabilitation facilities that uses its PWI award to establish and operate local projects.

According to program officials, the mix of PWI award recipients reflects an intentional effort to reach a large number of private companies, labor unions, and rehabilitation facilities in order to maximize the employment oportunities for people with severe disabilities of all types. The study team found that each organizational model is currently in a somewhat different stage of development from the others, and that each organizational type represented in the PWI program has particular advantages and disadvantages associated with it. According to a number of respondents, for example, the potential value of a PWI network of labor union-based projects has not been fully realized. Labor unions appear to offer two potential strengths to the PWI program. First, in many areas of employment, it is the unions that control jobs. Because of their responsibilities to their members, unions have often posed barriers to employment of handicapped individuals who are not union members. By encouraging their participation in the national PWI program, officials of the national PWI program have sought to generate greater union interest in and sensitivity to the employment needs of handicapped persons. Second, if labor unions understand the utility of a PWI type of approach to the retraining and placement of workers disabled on the job, the unions will be more likely to

press for the inclusion of PWI services in labor-management contracts. Union officials interviewed in this study stated that both of these points were important ones and that participation in the PWI program has been valuable to their unions in both regards. As yet, however, union participation in the PWI program has been relatively limited.

Special Features of Projects Operated by Trade Associations

As noted in Chapter One, this study was intended to have as a special focus the examination of the relative effectiveness of projects operated by trade associations. In particular, it was possible in the study to identify the advantages and disadvantages offered by the trade association approach to PWI service delivery. It was also possible to draw some conclusions about the desirability of expanding the utilization of trade associations within PWI.

RSA currently funds three organizations that can be classified as trade associations: the Electronic Industries Foundation (EIF), the National Restaurant Association, and the National Council for Therapy and Rehabilitation Through Horticulture, Inc. The latter two organizations will not be considered here in detail, however. Because the horticulture council is currently in its first year of PWI funding, insufficient data are available for analysis of their project. The National Restaurant Association's project may not be a fair test of the potential ability of trade associations to place severely disabled individuals in competitive employment. The National Restaurant Association does not establish local PWI projects, but instead uses its PWI resources to encourage relationships between the rehabilitation community and the association's state affiliate organizations. The national association does not directly engage in either job training or placement.

EIF is not itself a trade association. It is a nonprofit corporation established by the Electronic Industries Association to perform a variety of research and public education functions. The Electronic Industries Association is a trade association with a membership of approximately 300 electronics companies nationwide. Unlike the National Restaurant Association,

EIF uses its PWI funds to establish and manage local PWI projects. In this regard, many of the advantages and disadvantages of the EIF projects are the same as those associated with other projects that support national PWI networks, such as IBM or Goodwill Industries of America.

Based on extensive interviewing and observations, the study team tentatively identified a number of advantages and disadvantages of the trade association model. The tentative nature of these assessments is due to the small number of trade association projects available for examination. The principal advantage of projects operated by a trade association is the access to a large number of employers that a trade association can provide. When EIF establishes a local project, top-level executives of Electronic Industries Association member organizations located in the community can be easily and immediately contacted for participation in the project advisory council or for other involvement. A second advantage is that a trade association brings many of the same strengths to PWI that a very large corporation can provide, including an understanding of the needs of one sector of the business community and the ability to establish and manage a number of projects in different locations.

On the other hand, there are certain disadvantages inherent in PWI projects operated by trade associations. As one federal official observed, a trade association is established to represent, promote, and protect a specific industry. These purposes are not necessarily consistent with the purpose of the PWI program, which is to find competitive employment for severely disabled individuals. An anecdote told by a PWI project director bears on this issue. This project director had approached a friend of his who was executive director of a national trade association. The PWI project director believed that his project might benefit from a linkage with the trade association and also saw a possible independent role for this trade association in PWI, perhaps similar to that played by EIF. The trade association director became interested in the notion and ultimately presented a preliminary proposal to his board of directors. Under the proposed plan, the trade association would have established a PWI project to train and place disabled persons in jobs in the industry represented by

the trade association. The board of directors, however, disapproved the plan because it was inconsistent with the association's charter, which was to represent the interests of its member corporations. Because of competing priorities more directly linked to the association's central mission, the board of directors decided that it was not willing to amend its charter to permit creation of a nonprofit affiliate that could administer a PWI project.

This decision is not meant to represent the likely actions of all, or even most, trade associations. It does, however, indicate two important barriers to reliance on trade associations as PWI project sponsors. These barriers are, first, the lack of consistency between PWI program goals and the mission of most trade associations and, second, the need either to amend the trade association's charter or to establish a nonprofit affiliate in order for the trade association to operate a PWI project.

There are, in addition, other disadvantages to the trade association model. As with the single corporation model, trade association projects tend to be directed to a single type of disability or a single type of industry. For instance, National Restaurant Association spokesmen inform their members about the advantages of hiring handicapped individuals in entry-level food service positions; historically, most of these placements have been mentally retarded or emotionally disturbed individuals. Another disadvantage is that the staff of a trade association cannot be expected to be familiar with the rehabilitation process or with methods of locating potential clients and rehabilitation facilities. This limitation generally requires the association to hire project staff with backgrounds in rehabilitation. This requirement may be likely to deter many trade associations from initiating PWI projects.

These disadvantages do not, however, necessarily outweigh the important potential strengths of trade associations in the PWI program. In instances in which strong commitment to PWI goals can be generated at the highest levels of a trade association, effective PWI projects may be achieved. The EIF projects are good examples of such a result, but their success is probably as much a product of their staff-level understanding of rehabilitation issues as of their trade association contacts. These results are not easy

to obtain, however, primarily because of the inconsistency of PWI goals with the traditional goals of trade associations.

RSA is currently exploring the feasibility of increased involvement of trade associations in the PWI program. Under an RSA grant, EIF is examining the extent to which other trade associations might be willing to establish PWI projects. Thus far, despite considerable effort on the part of EIF, only limited interest in PWI participation has been elicited from other trade asociations.

On the basis of EIF's work and other information gathered in this study, it is not yet possible to estimate how many trade associations can eventually be brought into the PWI program. Assuming that several more can be encouraged to seek funding, it is likely that the developmental process will last at least several years for each trade association. This probability suggests that the increased involvement of trade associations may be a useful long-term goal for the PWI program but not an achievable goal in the short term.

Assessment of the Types of Organizations Operating PWI Projects

As seen in this section and in Chapter Two, a number of different types of organizations currently operate PWI projects. The wide range of organizational types has been the result of an intentional strategy to cast a broad net across various sectors of the employment and rehabilitation communities.

A number of PWI funds recipients have developed networks of local projects. This arrangement has permitted multiple projects to be operated under a single PWI award. An important benefit of these network arrangements is that the linkages among projects in a single network have provided avenues for information sharing and technical assistance, as well as the sharing of resources in some instances.

Because of their ready-made linkages to employers, considerable interest has been expressed in PWI projects operated by national trade associations. At present, one trade association is operating a network of local PWI projects. This project has experienced success in involving its

trade association members in the training and hiring of handicapped individuals. Because of certain barriers inherent in their mission, it is not clear, however, how many additional trade associations can be brought into the PWI program. On the basis of current information, there does not seem to be significant interest among trade associations in initiating projects for the training and employment of handicapped persons.

CHAPTER FOUR

RECOMMENDATIONS FROM RESPONDENTS ON PWI PROGRAM IMPROVEMENT

Well over a hundred people were interviewed during this study of the PWI program. Each of these individuals had had experience in one aspect or another of PWI program operations. In each interview, the members of the study team asked the respondent (or small group of respondents) for recommendations for the improvement of the PWI program. Respondents were asked to frame their recommendations in terms of changes that could usefully be made from Washington, either in the federal administration of the program or in the federal-level directions given for the local operation of PWI projects.

Virtually all of the recommendations offered by respondents clustered around a few topics. In this chapter these recommendations are presented in summary fashion. Where specific recommendations seemed to reflect the unique circumstances of the recommender, that relationship has been noted.

Recommendations Offered for the Improvement of the Federal Administration of PWI

Individuals interviewed in this study made recommendations pertaining mainly to three areas of federal program administration: project selection procedures, technical assistance and information sharing, and stability of federal support.

Project Selection Procedures

A number of respondents commented on their concerns that current PWI application procedures conflict with the principle of "agreements" between RSA and private organizations, as described in the program's statutory authorization. The study team was told that PWI's current grant application

requirements, based on EDGAR, tend to attract applicants that traditionally rely on governmental funding for support (e.g., educational institutions, private rehabilitation and training facilities). Indeed, these are the organizations that watch the Federal Register for the announcement of grant opportunities. Other types of organizations, especially those that do not rely on governmental funding (e.g., trade associations and private corporations), were described as likely to be discouraged by EDGAR grants application procedures. These organizations were said to be less likely to apply for PWI funds because of the detailed EDGAR requirements, including, in particular, requirements for comprehensive budgetary information and for detailed descriptions of personnel and management plans.

Criticisms were also offered of the selection criteria used to determine which applicants would receive PWI funding. The broadest such criticism was that the project selection criteria favored applicants who employed experienced proposal writers, irrespective of their ability to place disabled individuals in jobs. As evidence in support of that argument, it was noted that only 35 of the possible 100 points in the application rating criteria are awarded for "achievement of competitive employment objectives." This rating category, which directly addresses the purposes of the PWI program, includes the following standards (at §379.30(f)(2) of the regulations):

(i) The project has the capacity for placing a substantial number of handicapped individuals in competitive employment on a cost-effective basis;

(ii) Handicapped individuals will be trained in occupations for which there is a realistic demand in the competitive labor market and, where appropriate, adequate consideration is given to labor union requirements in the development of training programs; and

(iii) The project has the capacity for creating jobs which offer career development and advancement opportunities for handicapped individuals.

These standards constitute a succinct and comprehensive summary of the capabilities needed by a PWI project. Several respondents noted their puzzlement that these criteria account for less than half of the points awarded in the selection of new projects.

Another criticism of the selection process was that it has not prevented the concentration of PWI projects in certain geographic areas. Although these clusters of PWI projects have sometimes collaborated successfully in the delivery of PWI services, directors of projects in some of these areas expressed concerns that their placement specialists were virtually tripping over one another in their visits to prospective employers. Because of the frequent difficulty (for all projects) in finding job opportunities for handicapped clients, PWI directors preferred to have less competition among themselves in identifying openings. This problem does not reflect a deficiency in the PWI regulations, however, since §369.32(a) specifically authorizes the consideration of geographical distribution in the selection of projects.

Technical Assistance and Information Sharing

Many respondents noted the desirability of information exchange, which is seen as potentially operating in three ways: between RSA and the PWI projects, among PWI projects, and between RSA and the nation's major corporate employers. Respondents working in PWI projects that are not part of a larger network were most likely to express an interest in information exchange; projects that are part of a formal or informal PWI network, however, often participate in some type of information sharing as a result of their affiliation with the network.

The first type of information exchange--between RSA and the PWI projects--was mentioned by respondents mainly in connection with local needs for technical assistance for project improvement. Specific areas of assistance needs include (1) approaches to the identification of potential PWI employers and (2) techniques for encouraging the active participation of employers in PWI projects. Needs were also expressed for ideas and assistance in establishing and utilizing project advisory councils. Because of tight PWI budgets, project directors were not optimistic about their ability to attend technical assistance seminars in Washington. They stated, however, that a series of "how-to" guidebooks would be very useful, especially if the guides were focused on a limited number of high priority

topics (such as "how to increase placements") and if they contained examples of successful approaches actually utilized in PWI projects.

The second type of information exchange--among PWI projects--was described as a need that could be met through a regular PWI newsletter. Respondents also expressed interest in resumption of annual meetings of PWI project directors, although participation in such meetings would undoubtedly present a problem to some projects on particularly tight budgets.

One respondent suggested that a national association of PWI projects with representation from both local project staffs and project advisory councils would be a particularly effective means of communication among projects. He viewed such an association as serving a number of functions. For instance, the association could provide technical assistance to local projects on a fee-for-service basis. In addition, projects could share information on businesses that have been particularly supportive of their projects. The association could also possibly design standardized reporting procedures for all local PWI projects.

The third type of information exchange, consisting of RSA outreach to major corporations, was seen primarily as a Washington-based public relations effort. A number of respondents expressed their belief that major corporations would be much more receptive to approach by local PWI project personnel if their headquarters offices were knowledgeable about PWI and about the opportunities it offered to them.

Scability of Federal Support

A number of interview respondents stressed the importance of maintaining stable funding levels for local PWI projects. Their two major concerns in this regard were their projects' ability to retain their trained staff and their ability to plan effectively for program development. Project directors suggested that the fear of reduced federal support increases the likelihood that talented staff will seek other, more secure, positions. Many also expressed a belief that the assurance of a continuing federal commitment to projects was important to their ability to plan for necessary improvements and innovations in the services offered to their clients. In

several instances, they also suggested that a multiyear funding cycle would improve their ability to remain responsive to changing client needs.

Recommendations Offered for the Improvement of Local Project Operations

In discussing the problems and opportunities experienced by local PWI projects, project directors, staff, and other respondents offered a number of suggestions for ways that RSA could encourage improvement in local project operations. These suggestions were concerned primarily with the utilization of project advisory councils, local PWI linkages with the state rehabilitation agencies, and local PWI linkages with the Private Industry Councils required by the Job Training Partnership Act (JTPA) of 1982.

Utilization of Project Advisory Councils

Virtually every local project official interviewed for this study stressed the central role played by the advisory council in his or her project. As described in the preceding chapters of this report, the specific functions carried out by the advisory council vary from project to project. In general, however, project directors who expressed the greatest satisfaction with their advisory councils were those whose councils play particularly prominent roles in the operation of the PWI project. These directors claimed that greater delegation of leadership responsibility to the advisory council, in terms of decisions on services offered by the project and even on project staffing, has led to greater effectiveness of their local councils. For this reason they urged RSA to ensure major involvement by local councils in the direction and operation of all PWI projects.

Linkages with State Rehabilitation Agencies

State rehabilitation personnel interviewed for this study noted the importance to them of frequent communication with PWI project personnel.

Such communication was described as serving many purposes, including the following:

- It helps state agency personnel know the types of clients most likely to benefit from the project, thus enabling them to refer such clients to the project.
- It permits PWI project personnel to benefit fully from client data available within the state agency.
- It allows state agency personnel to learn new techniques of outreach to employers.
- It prevents rumors and misconceptions on both sides.

State agency respondents as well as PWI project personnel recommended that RSA create mechanisms that would encourage increased communications between PWI projects and state rehabilitation agencies.

Linkages with Private Industry Councils (PICs)

Several respondents, including a senior official of a state department of economic development, noted the similarities between the structure and role of the PWI advisory councils and the PICs required under JTPA. Both groups are made up primarily of members from business, industry, and labor; both groups are charged with identifying employment and training needs within their geographic area; and both groups bear responsibility for the oversight of certain types of public spending for training and job placement. The PWI advisory councils are concerned with jobs for handicapped clients only, however, while the PICs must be concerned with unemployed (and underemployed) persons in general. Because some restrictions have been placed on the automatic eligibility of handicapped persons for JTPA services (in contrast with the law's predecessor, CETA), several respondents suggested that RSA encourage PWI advisory council members to seek membership on their local PICs in order to represent the employment and training interests of handicapped persons in the implementation of the new law.

Summary of the Recommendations

As the preceding discussion suggests, most of the persons interviewed during the study commented on the important role of the national PWI program in shaping the performance of local projects. The general view was that stable federal funding, provided in a context in which the national program is available to assist projects (through technical assistance, information sharing, and other means) without imposing restrictive or inappropriate project selection and performance standards, is central to the success of PWI both locally and nationally. The general implication of the individual recommendations was that the PWI program, within the parameters of its current goals and funding level, should continue to maintain its historical flexibility and responsiveness toward the projects it supports.

CHAPTER FIVE

FINDINGS AND CONCLUSIONS

As stated in Chapter One, this study was designed to address two primary questions:

- What are the characteristics of current PWI projects, in terms of factors such as funding levels, services provided, types of clients served, and effectiveness in meeting program goals?
- Which project types are most effective in achieving PWI program goals, and, in particular, what are the relative effectiveness and replicability of projects operated by national trade associations?

In this chapter information and analyses presented in preceding chapters are synthesized to form answers to these questions. In addition, a list of programmatic issues is presented; these issues will be important to address in any consideration of PWI program change or expansion.

What Are the Characteristics of Current PWI Projects?

With few exceptions, current PWI projects have as their central goal the placement of handicapped persons in competitive employment. This is the program purpose that is highlighted in PWI's authorizing legislation. Projects provide varying types of services to clients in order to implement this goal, with decisions on types of services based on assessments of client needs and on the particular service expertise of the PWI recipient organization. Most projects provide some type of occupational skill training to clients. In most projects, job placements are achieved with the active participation of the local PWI advisory council. Projects generally make efforts to coordinate PWI services with those provided by the state rehabilitation agency.

Project funding levels under PWI average approximately $123,000. Clients served by PWI projects tend to be handicapped persons whose

disabilities are severe. No pattern is apparent in the types of disabilities of clients receiving PWI services. Based on a review of program documents and visits to project sites, the overriding impression conveyed to the study team was that of serious and focused efforts to place handicapped persons in competitive jobs.

As suggested by the information presented in this report, the study team concludes that the PWI program has been generally effective in addressing statutory purposes. Six factors were found to be most important in shaping the performance of local projects, as described in Chapter Three. These factors are:

- The existence of strong, active relationships with the local business community;
- The successful performance of clients in the jobs in which they are placed (thus encouraging employers to hire additional employees through the PWI project);
- Careful coordination with the state rehabilitation agency;
- The dedication and skill of the project staff in working with project clients and local employers;
- The good reputation of the PWI recipient organization; and
- The presence of a business orientation within the project.

These factors appear to be consistently associated with project success in meeting program goals.

One of the persistent problems encountered by the study team was the relative paucity of information available to document project activities and verify the extent of project success. While the sites visited during the study were generally able to provide documentation concerning such performance indicators as numbers of placements and costs, such data were not consistently found in the RSA program files that were reviewed for all of the projects during the study. Thus, while an overall impression of local project success in meeting the program's goals was obtained from the study, this impression needs to be more fully substantiated through the systematic collection by RSA of quantitative information on local project implementation and results.

Which Project Types Are Most Effective in Achieving Program Goals?

A special focus of the study was the determination of whether certain types of projects are more effective than others in meeting program goals. For purposes of this analysis, project type was considered mainly in terms of the organization that was the recipient of the PWI award. The study team was charged, in particular, with determining the effectiveness and replicability of projects operated by national trade associations.

The general finding of the study in this regard was that no single organizational type demonstrated consistently greater effectiveness than did any other. Organizational type did not figure, for example, in the identification of performance success factors listed in the preceding section. It is likely that projects operated by particular types of organizations may find it easier to implement certain of the six factors than do other types of projects (e.g., private corporations may find it easier to establish relationships in the business community, while private rehabilitation facilities may find it easier to forge linkages with state rehabilitation agencies). These comparative advantages, however, are relatively slight and may well counterbalance one another.

Related to the issue of organizational type as a predictor of project success is the question of whether projects that are members of national networks demonstrate greater effectiveness than do projects that are not members of such networks. As discussed in Chapter Three, the study found that networks assist in information sharing and problem solving across projects. Because these functions were seen as important by virtually all study respondents, the PWI networks may be said to provide important benefits to their member projects. On the other hand, effective projects were identified that were <u>not</u> part of any network. Another relevant factor is that maintenance of the networks required the use of PWI resources that would otherwise have provided direct services to clients. Hence, this study can provide only a qualified endorsement of PWI networks.

PWI projects operated by trade associations were a particular interest of the study because of the opportunity they offer to increase private sector

participation in the PWI program. Observations of projects operated by EIF, a subsidiary of one such trade association, had indicated to RSA the potential value of more extensive involvement in PWI by other trade associations. While the study found the EIF projects to be successful in many respects, little indication was found to suggest that the EIF approach could necessarily be replicated by other trade associations. As described more fully in Chapter Three, the main factors impeding replication are the inconsistency of PWI goals with the purposes of most trade associations and the need at the project level for expertise in rehabilitation services. Though replication will be difficult, however, it is not impossible, and RSA may want to consider the encouragement of PWI participation by trade associations as a long-term administrative objective.

On the basis of current evidence, it appears that the diversity and flexibility that have characterized the PWI program and its projects have been major factors in the success of PWI. These characteristics have resulted in support for a broad range of services to clients with varying types of disabilities and occupational needs. Further, PWI projects as a whole have assisted disabled persons to obtain employment in positions ranging from entry-level food service occupations to computer programming and operations research. Future programmatic changes would need to be weighed carefully against the benefits that have resulted from the program's emphasis on organizational diversity and individual project flexibility.

Programmatic Issues

During the study a number of programmatic issues emerged that may require RSA attention. Several alternative courses of action are available in connection with each issue. In this section the most important of these issues are noted; information bearing on the issues is provided in the preceding chapters of this report.

1. Expansion of the PWI program. Under Public Law 98-8, a one-time supplement of $5 million has been granted to the PWI program, increasing

the FY 1983 funding level to $13 million. Increases in future funding levels have been discussed. Funding increases at any level will necessitate decisions on the allocation of additional funds. These decisions will reflect actions taken with respect to targeting and project selection, as discussed below. Two alternatives are available for the use of any added funds. These are (1) increases in the number of awards or (2) increases in the amount of current awards. Under either of these alternatives, it would be possible to establish funding setasides for activities of particular importance to the program.

2. Targeting of funds. The advisability of targeting PWI funds to certain types of organizations was one of the issues addressed by the study. RSA might consider targeting funds on projects that establish PWI networks (as discussed on pages 62 through 64 of the report) or on projects established by particular types of organizations, such as trade associations (pages 66 through 69). In making such a decision, it would be necessary to determine whether the benefits gained by targeting outweighed the potential loss in program diversity and flexibility.

3. Project selection procedures. Two related issues currently exist with respect to project selection. The first issue is the appropriateness of the EDGAR grantmaking procedures as used in the PWI program, in light of the statutory requirement that RSA "enter into agreements" with PWI sponsoring organizations "to establish jointly financed projects" (pages 2 through 3 and 71 through 72). The second issue is the possible desirability of returning to earlier PWI procedures whereby RSA personnel sought out organizations likely to establish successful PWI projects and worked with the organization until agreement was reached for the establishment and implementation of the project (pages 62 through 66). These two issues reflect two alternatives available to RSA in connection with project selection procedures--to continue current competitive procedures or to return to earlier selection procedures based on federal outreach and negotiation. The latter may serve to attract more projects from the private sector, while the former provides a higher degree of

impartiality in the award of project funds.

4. Relations between PWI projects and state rehabilitation agencies. Although relations between PWI projects and state agencies are generally good, RSA might consider ways of improving the coordination between PWI projects and state agency programs (pages 52 through 53, 56 through 71, and 75 through 76). In addition, it might also explore ways of improving state utilization of PWI concepts and methods of placement. Alternatives in this regard include (1) imposition of more specific requirements for coordination between the state agencies and PWI projects, (2) RSA provision of information on alternative approaches to PWI/state agency coordination, and (3) extension of incentives for state agency adoption of certain PWI features (e.g., strong linkages with the private sector).

5. Information sharing and technical assistance. As discussed in Chapter Four, considerable interest was expressed by study respondents in the implementation by RSA of a major information sharing/technical assistance effort (pages 73 through 74). Alternatives to be considered in this regard include a national newsletter, an annual project directors' meeting, an information clearinghouse, the development of operations manuals or guides in particular subject areas, support for a national association of PWI projects, and direct provision of technical assistance.

6. Project reporting requirements. One of the difficulties encountered during the study was the paucity of uniform information on local project activities and accomplishments (pages 41 and 42 through 49). Two steps would be required to remedy this problem. The first step is the design of specific reporting standards for projects, including requirements for submission of implementation data (e.g., descriptions of clients served and services provided) and requirements for submission of performance data (e.g., numbers of placements and retention rate). Any new reporting requirements would have to be carefully developed and tested in order to minimize the reporting burden imposed on local projects. The second step is provision of any needed assistance to projects in

implementing new reporting requirements.

Consideration of these issues requires sensitivity to the needs of handicapped persons to obtain competitive employment. The primary objective in these desisions must be to identify strategies that will permit RSA to build on current program strengths.

APPENDIX

DESCRIPTIONS OF THE PWI PROJECTS VISITED IN THIS STUDY

The seven projects that were visited were selected to provide variation on three factors: type of organization operating the project, mix of services provided to clients, and geographical location. The projects are not necessarily representative of all projects that receive PWI awards. All seven of the projects have been in operation for at least five years. In the following paragraphs, information is provided about each project's sponsoring organization, level of funding, service offerings, advisory council, and client population.

Project 1. Located in a large Midwestern city, this PWI project is operated by a nonprofit, social service agency. The agency provides a variety of vocational services to disabled and nondisabled individuals. The PWI project has been operating since 1971, and this year received approximately $165,000 in PWI funding. In 1980, the advisory council of this project formed a nonprofit association of business, rehabilitation, and industry members that provides PWI services to member employers. Employers are charged a fee for membership, and these fees brought an additional $15,000 to the PWI project in 1982.

The project is distinguished by its almost exclusive concentration on job placement and followup functions. All of the clients served by the project are severely disabled, as defined by the state rehabilitation agency. The project serves large number of clients who are either hearing impaired or emotionally disturbed. One hundred clients were placed during the first nine months of 1982, the most recent period for which data were available. Employers are offered a variety of services by the project, including crisis intervention (on a seven-day-a-week, 24-hour-a-day basis), job analysis, job modification, applicant screening, interpreter services for deaf employees, human relations training seminars for line supervisors, and consultation on tax and legal issues related to the employment of the disabled.

Project 2. This PWI project is operated by a nonprofit psychiatric center for treatment, research, professional education, and prevention. Located in the Midwest, the PWI project was established in 1977 with a PWI award of $100,000. In project year 1982, the project received funds from four separate sources: a $300,000 award from PWI, a $348,000 award from the state rehabilitation agency, a $126,000 award from a private corporation, and supplementary funds from the parent organization.

The PWI project delivers a variety of services to its clients, including client assessment, job search groups, individual vocational counseling, industrial evaluation, transitional employment, job placement, and client followup services. Placement services are currently provided at four locations throughout the state; the transitional employment program operates in six business locations and one state agency. Each of the placement sites has an advisory council that is divided into committees, the most important of which is the placement committee. The project serves clients with all types of disabilities, although about 38 percent of the clients are psychiatrically disabled. Sixty to 65 percent are severely handicapped. During the most recent project year for which data were available, the project placed 256 clients.

Project 3. This PWI, located in a large Western metropolitan area, is operated by a nonprofit rehabilitation facility that provides comprehensive vocational assessment, training, and other employment-related services to both disabled and economically disadvantaged persons. The facility served over 1,000 persons in 1982. The PWI project has been operating for six years and this year received $60,000 in PWI funds.

The central component of the project is occupational training, primarily in electronics fields. Because of the facility's reputation, most employers interviewed were willing to hire graduates of the project when they were unwilling to hire the graduates from other area training programs, and placement rates were consistently over 90 percent, with approximately 120 competitive placements per year. The project's success in training and placement was attributed by respondents to the high level of involvement by

the project advisory council and to the industrial advisory committees that are actively involved in the design, operation, and monitoring of each of the facility's training programs.

Project 4. This PWI project, located in a Western metropolitan area, is one of a number of local project sites operated by a nonprofit affiliate of a national trade association. The local project site has been operating since 1978. PWI funding for the current year was $35,000, with additional resources provided by the parent organization. The project serves a client population representing the full range of disabilities.

The project's major services are job development, placement, and followup, although some client assessment and assistance in job-seeking skills are provided. Project staff spend substantial time on employer contacts to identify potential jobs for clients and to recruit advisory council members. Supportive services (e.g., interpreter services for deaf clients) are provided to clients as needed, and followup visits to clients and employers are routinely made. Other services include presentations to the state rehabilitation agencies, the private sector, and others concerning PWI's approach to employment of the disabled. Additionally, the project works closely with other PWI projects in the region to achieve the PWI placement goals. The project reported 279 placements from 1978 through 1981. Number of placements for 1982 were not available but were projected to be 85.

The project has two advisory councils. The executive council, composed of executives from local corporations and representatives from the rehabilitation community, provides policy direction and planning assistance. The employment committee, composed primarily of midlevel managers in corporate personnel offices, is concerned with the development of placement opportunities.

Project 5. This project, located in a Western metropolitan area, provides computer programmer training to severely physically disabled persons. Initiated by a major electronics corporation, the project was operated from 1974 to 1982 by a rehabilitation facility and has recently been incorporated as a separate

nonprofit organization. No PWI funds are currently used for operation of the project, although the project sometimes receives PWI-funded services from the electronics corporation. The state rehabilitation agency provides approximately $250,000 per year in project support.

Project services include the provision of occupational training, referral to needed support services, job placement, and client followup. While data on numbers of placements were not available, the project reported an annual placement rate (i.e., percentage of clients placed in jobs) of 85 percent until recently. Since the economic downturn, the rate has declined to 75 percent. Eight project advisory subcommittees provide private sector linkages, with employers playing an active role in project operations, including lectures to classes, periodic evaluation of students, donation of computer time, equipment donations, and other services.

Project 6. Located in a large Eastern metropolitan area, this PWI project is one of a number of local project sites established by a nonprofit affiliate of a national trade association. It is operated under the auspices of a small consulting firm specializing in the development of affirmative action plans for the handicapped. The project has been in existence since 1977. Total PWI funding for the current year is $75,000; the project also received about $28,000 in CETA funds for the current year.

The project's major service is operation of a placement clearinghouse that matches job openings from area employers (50 percent of which are in electronics) with qualified clients. Because of the nature of the service, clients, generally referred from the state rehabilitation agency or self-referred, must be job ready. In recent years the project has also expanded its services to include sponsorship of skill training for electronics-related occupations, clerical workers, and machinists. Placements for the current project year were projected to be 105; data on total number of placements since the project's inception were not available.

The project has an executive advisory board, made up of senior-level executives of area corporations and the commissioners of the two state rehabilitation agencies. Additionally, employment and training committees provide project guidance in their respective areas.

Project 7. This PWI project, located in a large Eastern city, is operated by a rehabilitation facility. Established in 1977, the facility received PWI funding for its first three years of operation from the national organization of which it is an affiliate. Three years ago, the facility began submitting its PWI project proposals directly to RSA. In project year 1982, the PWI award to the facility was approximately $56,000.

The rehabilitation facility offers a wide range of vocational services, with PWI paying for a portion of the skill training programs and for placement services. Training is offered in clerical skills, word processing, custodial services, electronic assembly, and food services. The advisory council is divided into separate subcommittees for each training program. The subcommittees oversee training activities and help identify potential on-the-job training sites for participants. A large proportion of the clients served (67 percent) are either mentally retarded, emotionally disturbed, or have other severe behavioral problems, such as alcoholism or drug addition. The project reports that 36 percent of the clients are severely handicapped.

During the most recent period for which data were available (July 1981 through April 1982), 71 clients achieved competitive employment, for a projected annual number of about 85. The project reported a 79 percent retention rate for clients placed during the period.